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PUBLIC RELATIONS AND MARKETING: A FRAMEWORK FOR STAKEHOLDER MANAGEMENT IN THE LIFE HEALTHCARE GROUP OF HOSPITALS – EASTERN REGION

by

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DECLARATION

I, Liesel Anja van Oudenhove de St. Géry, declare that the contents of this dissertation represent my own unaided work, and that the dissertation has not previously been submitted for academic examination towards any qualification. Furthermore, it represents my own opinions and not necessarily those of the Cape Peninsula University of Technology.

Signed **May 2010**

Date

ABSTRACT

The aim of this study is to examine the relationship of public relations and marketing and how these two functions can fuse their work without encroaching on each others fields. The strategic corporate function of stakeholder management is used as the platform to illustrate this proposed mutually beneficial relationship.

The theoretical approach to the study is directed at exploring the three different fields of public relations, marketing and stakeholder management by outlining the general theory of excellence in corporate communication; marketing management theory; and stakeholder management theory.

The public relations and marketing role within the Life Healthcare hospitals in the Eastern region are explored through a quantitative study aimed at gaining the incumbents' (in the public relations/marketing positions) view on their outputs within their function mapped against the outputs needed as viewed by the dominant coalition of the various hospitals. The incumbents' contribution to; and the dominant coalition's view of stakeholder management is also explored through the same dual view approach.

Differentiating the roles' (public relations and marketing) contribution to stakeholder management (as subset against the theoretical background of what these roles should entail) are the outcomes of this quantitative study in the Life Healthcare group – Eastern region. This will then provide the platform for creating a framework of synthesis where public relations and marketing can collaborate in stakeholder management.

Therefore, the outcome of this study, firstly, is a framework for the collaboration of public relations and marketing in stakeholder management within the Life Healthcare Group – Eastern region. The framework creates a synthesis of the two corporate functions so that both can effectively contribute to the hospitals' strategic relationship building process in their own right as is necessary in excellent organisations. Secondly, it highlights insights gained (through the quantitative study and exploration of theory) into the public relations and marketing function within the region, and outlines problem areas that should be tackled by the dominant coalition if they are to elevate public relations and marketing to a function which can contribute to the broader organisational strategy.

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DEDICATION

For Ian, my loving husband, whose support, dedication and encouragement has never wavered

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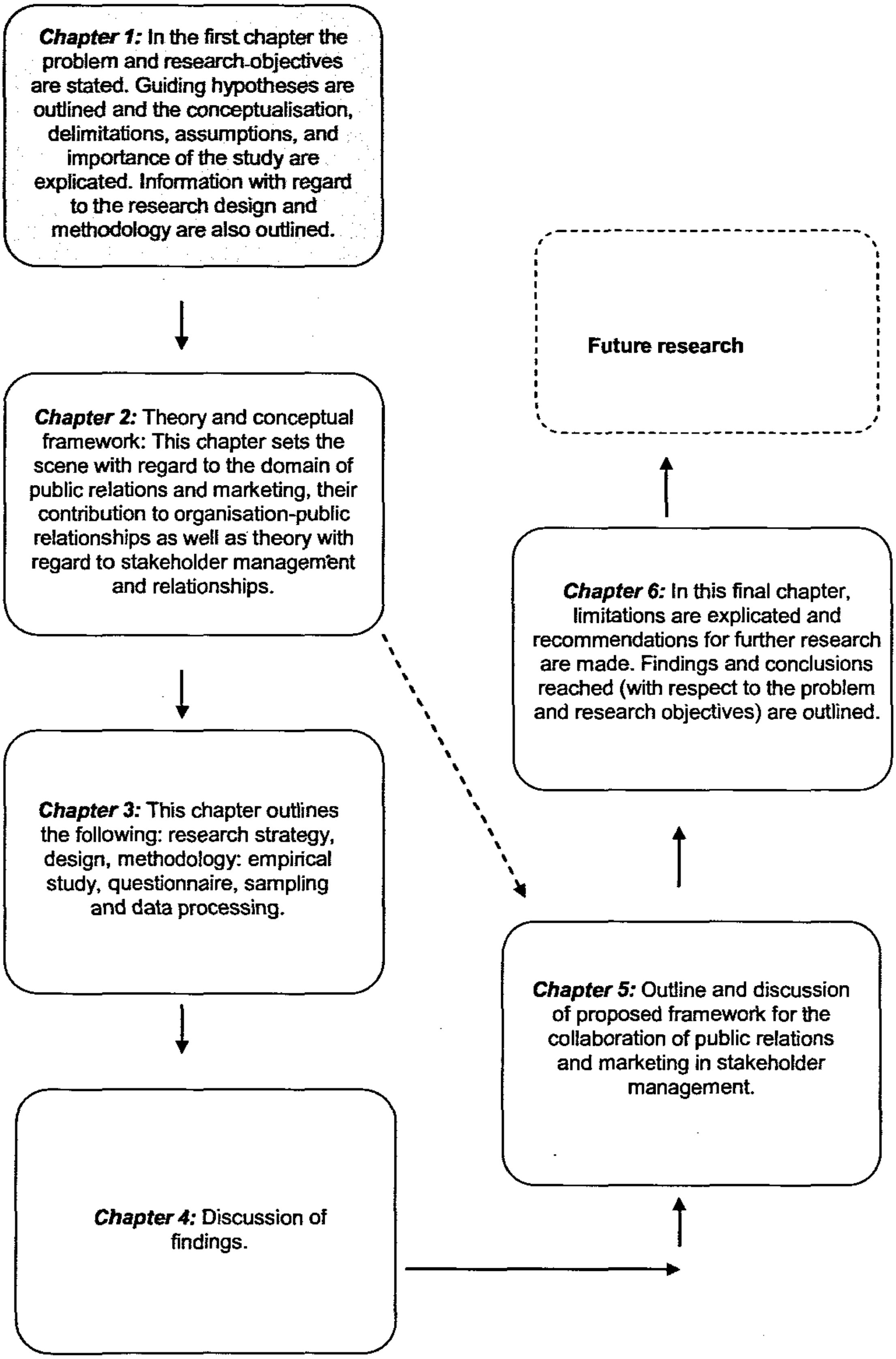

Figure 1.1: Outline of research report

CHAPTER ONE
INTRODUCTION TO THE PROBLEM AND ITS SETTING

1.1 Introduction

The turf wars and discussion around public relations and marketing has been quite significant in these two fields over the past years. Scholars have discussed and debated at lengths about the purpose of these two functions and how they should relate to each other. One of the broad topics that have come to light within these two functions is the role public relations and marketing should play in excellent organisations. Grunig and Grunig (1998:141) highlight this by saying that:

> The role of public relations in management and its value to an organisation have been debated for at least 100 years. The debate has centred on the question of whether the role of public relations is to support marketing or whether it serves a broader social and political function.

Grunig (2000:76) has also further outlined that:

> ...additional concerns to contemporary organisational theorists and public relations scholars alike include encroachment (from other disciplines), the dominant coalition and organisational effectiveness.

Marketing has inhabited a spot at the strategic level of an organisation for some time as it has been connected to the achievement of organisational goals. Meffert (1991:31,[1] in Hunter, 1997:95) notes that:

> Marketing means planning, co-ordinating, and controlling all corporate activities aiming at present and potential markets. The corporate goals shall be achieved ... through a continued satisfaction of customer needs.

Public relations or corporate communication has only in recent years emerged as a corporate function which could inhabit a strategic role (Moss & Warnaby, 1998; Everett, 2006). Grunig and Hunt (1984:6,[2] in Steyn, 2000b:30) describe public relations as managing the communication between an organisation and its publics. Long and Hazelton (1987,[3] in Steyn & Puth, 2000:4) see it as "a communication function of management through which organisations adapt to, alter, or maintain their environment for the purpose of achieving organisational goals".

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[1] Meffert, Heribert (1975, ed.). Marketing heute und morgen. Entwicklungstendenzen in Theorie und Praxis. Wiesbaden: Gabler

[2] Grunig, J.E. & Hunt T. 1984. *Managing public relations*. Holt, Rinehart & Winston: New York.

[3] Long, L.W. & Hazelton, V. 1987. Public Relations: A theoretical and practical response. *Public Relations Review*, 12(2):3-13.

It is thus clear that both functions are significant to the survival strategies of an organisation, but have different roles to play. Hence both functions are concerned with the organisation's environment which can be described as "the collection of stakeholders and a patterning of strategic issues" (Steyn & Puth, 2000:4). Worrall (2005:1) outlines that:

> The need for clarity has never been greater. In organisational settings, strategic management is trying to understand which managerial function is best positioned to ensure effective organisational communication with groups ... who are strategically important to the organisation.

Thus subsequent issues relevant to these two domains, as highlighted in theory and previous studies, includes the importance of stakeholder management. It has been emphasised even more through the new business paradigm of focusing on the triple bottom line of profit, people and planet.

This situation is highly relevant to the Life Healthcare group of hospitals. Although medical care is an essential need, private hospital groups are also just businesses who have to vie for the attention of potential clients as well as operate as corporate citizens within their communities. Thus communication with stakeholders within their environments has become increasingly important. They can no longer rely on medical care being a basic need and therefore a given in gaining potential market share. They have to rely on sound business principals which include incorporating public relations and marketing functions in order to create, enhance and maintain organisational effectiveness. Recent environmental scanning projects and evaluations by the group marketing function of the Life Healthcare group has indicated that relationships with key stakeholders such as referring general practitioners is a primary focus area for the public relations and marketing functions (Pyle, 2007) in order to build sound relationships and gain market share.

1.2 Problem statement

The following deals with the main research problem.

1.2.1 Core of the problem

The core of the research problem is two-fold: firstly, it rests on the research and literature with regard to the fundamental aspects, purpose and synthesis of public relations and marketing as strategic functions. Secondly, it explores the issues and fundamental aspects of stakeholder management and relationships in a new business paradigm where the triple bottom line has become key.

Research and literature on the topic of public relations and marketing have shown that some of the concerns pertinent within the field of public relations include encroachment (from other disciplines), the dominant coalition and organisational effectiveness (Grunig, 2000:76). Furthermore, a study by Grunig and Grunig (1998) showed that excellent organisations are those where the public relations function exists on its own and that organisations are best served by the inherent diversity brought into the organisation by both public relations and marketing. However, they concluded that much research will be needed in order to resolve the differences of these two functions and incorporate the most useful concepts from these two perspectives (Grunig & Grunig, 1998:159). Furthermore, Argenti (1998:31,[4] in Radford and Goldstein, 2002:253) outlines that "the idea of corporate communication (public relations) as a functional area of management equal in importance to finance, marketing, and production is very new". Therefore, research within these areas is needed. Worrall (2005:49) outlines in her research that:

> As far as interaction between the marketing and corporate communication functions is concerned, the recommendation is that co-operation takes place – not only on the functional and implementation level, but also on the strategic level. An obvious area to start is stakeholder management.

On the other hand, organisations have seen the emergence of a new business paradigm, namely the triple bottom line. "The common premise among stakeholder management scholars is that the organisation's survival and success depend upon the ability of the organisation to manage valuable relationships with its stakeholders" (Freeman 1984, in[5] Van Halderen & Van Riel, 2006:3). The importance of relationships is further highlighted by Moss (in Phillips, 2007:1) when he says that:

> In a mature economy it is increasingly difficult to find tangible resources of differentiation and it is the reputation and relationships which organisations establish with their stakeholders which are the drivers of corporate success.

The main aim of this study is therefore to develop a framework for the contribution of both public relations and marketing to stakeholder management in order to create sound relationships with stakeholders. Thus giving both organisational functions the opportunity to contribute to organisational effectiveness.

[4] Argenti, P.A.1998. *Corporate Communication*, 2nd ed., McGraw-Hill, New York, NY.
[5] Freeman, R.E. 1984. *Strategic management: a stakeholder approach*. Boston: Pitman

1.2.2 Background to the problem

1.2.2.1 Public relations and marketing

It is clear from various literatures in the field that there are obvious theoretical differences between public relations and marketing and that each has a unique contribution to make to an organisation. Public relations (PR) is seen as "the management function that establishes and maintains mutually beneficial relationships between an organisation and the publics on whom its success or failure depends" (Cutlip, Centre & Broom, 1994:2,[6] in Ledingham, 2003:181). The marketing function, in essence, has a strong focus based on the four p's, namely product, place, price and promotion (Grönroos, 1996) and is mostly concerned with sales and market share (Sheth & Parvatiyar, 1995). These two functions can further be distinguished by the difference between that which they focus on, namely '*publics*' in PR and '*market*' in marketing (Ehling, White, & Grunig, 1992; Varey, 1997).

From the above it can therefore be derived that the marketing function is concerned with consumers and their markets as well as with products/services and their availability whilst the PR function is concerned with all other stakeholders such as employees, shareholders, and community members etc. Their publics are concerned with the entire behaviour of an organisation and not only the product or a service of the organisation as is the case in marketing (Ehling *et al.*, 1992).

Further to these distinct differences between public relations and marketing, in depth discussions in the public relations field have centred on relationships (Steyn, 2004; Ledingham, 2003; Hutton, 1999) and reflection (Vercic, Van Ruler, Bütschi & Flodin, 2001) as paradigms for public relations in the 21st century as well as defining the roles and contribution to the strategic level of an organisation (Steyn & Puth, 2000; Steyn, 2000a; Steyn, 2007). Similarly, relationships have also been outlined as a paradigm for marketing (Sheth & Parvatiyar, 1995; Grönroos, 1997; Sheth, 2002) - thus further advancing the notion that public relations and marketing both have very distinct contributions to make.

Research has also outlined that both functions have a strategic role to play. The reflective role is conceptually similar to the public relations strategist role explicated by Steyn (2000a) in a South African context.

This PR strategist role is seen as the mirror perspective of public relations in which the practitioner is part of the top level management team making the decisions and is expected

[6] Cutlip, S.M., Center, A.H., & Broom, G.M. 1994. *Effective public relations*. Englewood Cliffs, NJ: Prentice-Hall.

to gather information and process it to enable the organisation to adapt to the future and contribute to corporate strategy. Steyn (2000a:20-43) sees the mirror perspective of the PR strategist role as being responsible for "monitoring of relevant environmental developments and the anticipation of their consequences for the organisation's policies and strategies, with regard to managing relationships with stakeholders". On the other hand, marketing has long been seen as the "key driver of business strategy," (Kotler, 2004:4) and this function too experiences difficulties with regard to encroachment and relationships with other departments in the organisation such as PR. Kotler (2004) highlights this issue as one of the key problems, often overlooked, which curbs the marketing function within an organisation.

What is interesting to note, and an aspect which further strains and complicates the collaboration of public relations and marketing in an organisation, is the fact that - on an academic level, regardless of the ongoing debate, there is a noteworthy scarcity of critical analysis of the relationship between these two functions. Various patterns of relationships proposed, include: *integration* – creating one new function with either marketing or corporate communication being dominant; *synthesis/co-operation* – where each function exists in their own right, equal in level; or *equality with one area of overlap* – creating an environment in which the two functions work together to attain organisational effectiveness (Worrall & Steyn: 2006:1).

1.2.2.2 The new business paradigm; communication and relationships; and stakeholder management

A new business paradigm has also emerged in recent years which have brought the importance of stakeholder management and good stakeholder communication to the fore. This new paradigm brought forward the emergence of good corporate governance which brought a paradigm of 'society' into the organisational mix. It has become clear that good corporate governance is no longer only about the bottom line of financial gain, but also about how the organisation fits into and conducts itself within the community in which it operates. Organisations need to gain trust and stay legitimate. In order to do this, it forces organisations to not only define what they stand for, but also justify their operations with stakeholder groups and make sure that stakeholder engagement and communication is top of mind (King Report, 2002; Rensburg & De Beer, 2003).

Theory outlined in the documentation surveyed (Grunig, 1992; Steyn, 2000b) shows that the two-way symmetrical model is the normative ideal for how communication should be practised. It is viewed to be more moral, ethical and effective in practice (Grunig & White, 1992). In order to create this symmetrical communication and good relationships, organisations should aspire to create outcomes which are desirable for both the organisation and its stakeholders. Dialogical communication should be promoted and used to create mutual understanding. Communicators should act as a mediator between an organisation and its stakeholders. These communicators should recognise and rely on a body of knowledge as well as method (technique) when planning communication which strives to build effective relationships. This is important as "practitioners of professional corporate communication...rely on a body of knowledge as well as technique" (Steyn, 2007b:19). Grunig and Hon (1999: 18-19) outline that there are six relationship outcomes that could indicate that a good relationship exists between an organisation and a stakeholder. These outcomes are: trust, control mutuality, commitment, satisfaction, communal relationships and exchange relationships.

Thus it can be surmised that much literature on both PR and marketing have been centred around discussing research with regard to the roles of PR and marketing in the new business paradigm as well as how each of them can contribute to the building of relationships with strategic stakeholders thereby contributing to organisational effectiveness. This has lead to discussions on which of these two functions is able to and should contribute to the dominant coalition and strategic level of an organisation in areas such as stakeholder management. The differences between the two can also clearly be seen in the literature. But, the question is – how can these two functions collaborate and work together to contribute to a strategic role such as stakeholder management – without encroaching on each other's domains? A study by Grunig and Grunig (1998) showed that excellent organisations are those where the public relations function exists on its own and that organisations are best served by the inherent diversity brought into the organisation by both public relations and marketing. However, they concluded that much research will be needed in order to resolve the differences of these two functions and create synergy between the most useful concepts from these two perspectives (Grunig & Grunig, 1998:159). Worrall (2005:48) suggests that:

> It is only when there are shared expectations between these functions (public relations and marketing) and top management, and when top management actually demands these activities that the maximum contribution to stakeholder management can be made by both functions.

1.3 Research objectives

> The research objective can be described as the overall goal for a research study... it delineates the scope of the research effort and specifies what information needs to be addressed by the research process (Struwig & Stead, 2001:35).

1.3.1 Phase one: Exploration of the literature

Research objective 1:

To, through theory, explore the boundaries of the public relations and marketing function and their contribution to stakeholder management and relationships.

1.3.2 Phase two: Quantitative study in the Life Healthcare group of hospitals – Eastern region

Research objective 1:

To evaluate the existing relationship between the public relations and marketing function within Life Healthcare hospitals as well as their contribution to creating effective relationships.

Secondary objectives:

- To determine what the public relations/marketing function is currently focussing on within the various hospitals in their contribution to organisational effectiveness
- To determine what is expected from the public relations and marketing functions by the dominant coalition of the hospital with regard to their contribution to organisational effectiveness
- To determine what the public relations/marketing function currently achieves/focuses on in building relationships with stakeholders
- To determine what the dominant coalition of the hospital expects the public relations and marketing function to achieve with building relationships with stakeholders
- To ascertain what skills the incumbents in the related departments possess

Research objective 2:

To isolate, through theory and the research undertaken, which aspects and functions of the public relations and marketing field will be most suitable for achieving excellent stakeholder relationships in order to develop a framework for the strategic collaboration of these two functions in stakeholder management so that both can effectively contribute to the hospitals' strategic relationship building process in their own right as is necessary in excellent organisations.

1.4 Hypotheses

Hypotheses or aims in a research study should be clearly and concisely worded, reflect the topic and should be able to be linked to the results of the study and the subsequent discussion of the results (Struwig & Stead, 2001). The hypotheses therefore is that which is formulated and outlined, highlighting what is to be tested during the research study – giving direction and focus to the study (Struwig & Stead, 2001). Leedy (1993:76) describes hypotheses as: "tentative propositions set forth as a possible explanation for an occurrence or a provisional conjecture to assist in guiding the investigation of a problem".

For this study, guiding hypotheses are set to guide exploration into the problem which will lead to the conceptualisation of a framework for the strategic collaboration of public relations and marketing in stakeholder management which could possibly be empirically tested in further research. These guiding hypotheses are:

- That the public relations and marketing function within Life Healthcare hospitals are not placing emphasis or isolating stakeholder management as an important function
- That the public relations and marketing function within Life Healthcare hospitals are not clearly defined by the dominant coalition
- That what the dominant coalition expects from the public relations and marketing function with regard to general outcomes and outcomes for stakeholder relationships are not in line with what the public relations and marketing function is currently achieving
- That the public relations and marketing functions are not seen as separate functions and therefore cannot contribute in the way/on the level which is needed for excellent organisations
- That the correct skills are not evident within the public relations and marketing functions in order for incumbents to contribute to stakeholder management

1.5 Definition of terms

In this section all the terms in the problem statement or research questions are defined operatively – that is, the definition interprets the term as it was employed in relation to the research project (Leedy, 1993:74).

1.5.1 Public relations/corporate communication

Grunig and Hunt (1984:6,[7] in Steyn, 2000b:30) outlined public relations as "the management of communication between an organisation and its publics". According to Grunig (1992:4,[8] in Steyn, 2000b:31), this definition equates public relations and communication management.

[7] Grunig, J.E. & Hunt T. 1984. *Managing public relations*. Holt, Rinehart & Winston: New York.

[8] Grunig, L.A. 1992. Activism: How it limits the effectiveness of organisations and how excellent public relations departments respond. In Grunig JE (ed), *Excellence in public relations and communication management*. Lawrence Erlbaum Associates: Hillsdale, New Jersey.

Thus emphasising that communication is a management function. "The communication undertaken on behalf of an organisation is commonly referred to as corporate communication," (Worral, 2005:6).

Corporate communication can be outlined as: "managed communication with the aim of increasing organisational effectiveness by creating and maintaining relationships with stakeholders" (Steyn & Puth, 2000:5). Furthermore as there is no direct translation for '*public relations*' in many European languages, many practitioners have been referring to "*communication management*" and "*corporate communication*" or using other forms of applied communication (Vercic *et al.*, 2001). For the purposes of this study, the terms 'public relations' and 'corporate communication' are therefore used interchangeably.

The following definitions are seen to be the essence of public relations/corporate communication:

- The First World Assembly of Public Relations Associations, held in Mexico City in 1978, defined public relations as "the art and social science of analysing trends, predicting their consequences, counselling organisational leaders, and implementing planned programmes of action which will serve both the organisation and the public interest" (Skinner and Von Essen, 1996:4).
- The management function that establishes and maintains mutually beneficial relationships between an organisation and the publics on whom its success or failure depends (Cutlip, Centre & Broom, 1994:2 (see footnote 6), in Ledingham, 2003:181).
- Public relations is "a communication function of management through which organisations adapt to, alter, or maintain their environment for the purpose of achieving organisational goals" (Long & Hazelton, 1987:9,[9] in Steyn & Puth, 2000:4).

The emphasis in these definitions is to identify and manage issues and stakeholders/publics in order to assist the organisation to adapt to its environment; and to build mutually beneficial relationships between an organisation and its internal and external stakeholders, on whom it depends to meet its goals (Steyn, 2000b:31).

1.5.2 Marketing

Strong focus based on the *four p's*, namely product, place, price and promotion (Grönroos, 1996) and is mostly concerned with sales and market share (Sheth & Parvatiyar, 1995). Morgan (1996:2) describes marketing as: "the process of planning and exacting the conception, pricing, promotion and distribution of ideas, goods and services to create exchange and satisfy organisational objectives".

[9] Long, L.W. & Hazelton, V. 1987. Public Relations: A theoretical and practical response. *Public Relations Review*, 12(2):3-13.

Pels (1999:19) puts forward that:

> Marketing is about understanding, creating, and managing exchange situations between parties: manufacturers, service providers, various channel members, and end consumers. Exchange situations can be of a transaction, relationship or hybrid type.

1.5.3 Publics

Publics come forth from the dealings the organisation engages in and arise on their own because of issues surrounding the organisation (Ehling, White & Grunig, 1992; Varey, 1997).

1.5.4 Markets

Characterised as being chosen by the organisation to help fulfil its goals (Ehling, *et al.*, 1992). Organisations create markets by identifying sectors where a product or service could be in demand (Varey, 1997).

1.5.5 Relationship paradigm – marketing

Relationship marketing is to identify and establish, maintain, and enhance relationships with customers and other stakeholders, at a profit, so that the objectives of all parties involved are met (Grönroos, 1996:7).

1.5.6 Relationship paradigm – public relations

"Effectively managing organisational-public relationships around common interest and shared goals, over time, result in mutual understanding and benefit for interacting organisations and publics" Ledingham (2003:190).

1.5.7 Reflective paradigm – public relations

To analyse standards and values in society and feed that information into the organisation so that it can adjust accordingly, act responsibly and stay legitimate. The 'reflective role' is regarded as the most dominant role and purpose of public relations (PR) in Europe (Vercic, Van Ruler, Bütschi & Flodin, 2001:377).

1.5.8 Dominant coalition

The dominant coalition is considered to be the persons responsible for running the individual hospitals and who has the power to decide upon strategic issues, influence organisational structure and determine operational areas.

1.5.9 Excellent organisations

This concept is limited to judging the organisation against the theory of the effectiveness and excellence of communication management as outlined in the Excellence Theory by Grunig and Grunig (Grunig & Grunig, 1998).

1.5.10 Organisational effectiveness

The organisation's ability to achieve its goals, to acquire resources, achieve a competitive advantage, and satisfy the relevant needs of its key stakeholders.

1.5.11 Strategic collaboration

Strategic collaboration occurs when both the public relations and marketing function contribute to the management/strategic level of the organisation – each bringing their own unique contribution. The key here is synthesis rather than integration.

1.5.12 Stakeholder

Freeman (1984:32,[10] in Vinten, 2000:378) describes a stakeholder as any group or individual who can affect or is affected by the achievement of the organisation's objectives.

1.5.13 Stakeholder management

Steyn and Puth, (2000:187) explains stakeholder management as the process where the interest of individuals and groups who can have an effect on or are possibly affected by the organisation its dealings and decisions, is systematically taken into account.

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[10] Freeman, R.E. 1984. *Strategic Planning: A Stakeholder approach.* Pitman, London.

1.5.14 Communal relationships

In a communal relationship, both parties provide benefits to the other because they are concerned for the welfare of the other – even when they get nothing in return. For most public relations activities, developing communal relationships with key constituencies is much more important to achieve than would be developing exchange relationships (Grunig & Hon, 1999:3).

1.5.15 Exchange relationships

In an exchange relationship, one party gives benefits to the other only because the other has provided benefits in the past or is expected to do so in the future (Grunig & Hon, 1999:3).

1.6 Theoretical framework – conceptualisation and constructs

Conceptualisation can be described as a process that, inter alia, entails defining the key concepts in a research question. A conceptual framework explains, either graphically or in narrative form, the main dimensions to be studied – the key variables and the relationships amongst them. It specifies who and what will, and will not, be studied and also assumes some relationships. It is best presented graphically, and prior theorising and empirical research are important inputs (Steyn, 2000b:11).

Discipline	Public relations/Corporate communication		Marketing
Paradigm	Relationship (communal) and reflective		Exchange and relationship
World view	Public relations/Corporate communication: symmetrical		Marketing: asymmetrical
Theories	**General theory of excellence in corporate communication**	**Stakeholder management theory**	**Marketing management theory**
Theories most relevant to study (To be outlined and discussed in chapter 2, p.26)	*Public relations/Corporate communication:* • Boundaries • Perspectives • Roles • Models • Research • Situational theory of publics	*Stakeholder management:* • Stakeholder concept • Approaches • Models • Project stakeholder management • Strategies for sustaining relationships • Outcomes of successful relationships	*Marketing:* • Boundaries • Elements • Process • Research • Communication • Organisation of the marketing function
Major concept	**Framework for the synthesis of public relations and marketing in stakeholder management**		
Sub-concepts	Public relations/Corporate communication contribution		Marketing contribution
Constructs	*Public relations/Corporate communication contribution:* • Responsible functions and process in stakeholder management	*Stakeholder management:* • *Process and functions* • *Relationship indicators supported:* • Trust • Control mutuality • Commitment • Satisfaction • Communal relationships • Exchange relationships	*Marketing contribution:* • Responsible functions and process in stakeholder management
Items used to measure the concepts	Measured by 33 items	Measured by 26 items	Measured by 33 items

Figure 1.2: Graphic presentation of theoretical framework and conceptualisation
(Own conceptualisation based on Worrall, 2005; Steyn & Bütschi, 2004; Prinsloo, 2004)

1.6.1 Discipline/domain

The term 'domain' has been described as a concept similar to 'discipline' (Heath and Bryant, 2000:40). Heath and Bryant explain by noting that: "A domain focuses on a related group of problems which are worthy and capable of being solved through analysis and research" (Heath and Bryant, 2000:41). They furthermore outline that taking a look at research through a certain domain is helpful in understanding the continuity and structure of the research so that: "you are not lost in a tangle of competing theories, hypotheses and context" (Heath and Bryant, 2000:41). This study is based on the general concept of relationships in the context of public relations and marketing.

Public relations and marketing both have their own unique set of missions to fulfil and therefore appeal to very different parts of an organisation's social environment.

They both should form part of the complex communication systems which develop within their specific environment as the organisation reacts to a host of different interactions i.e. stakeholders (Ehlig, White & Grunig, 1992).

It is safe to assume that both the PR and marketing function engage in some form of communication. However, Ehling *et al.* (1992:389) notes that public relations is engaged in the process of "conceptualising, planning, organisation, directing, evaluating and adapting" in order to achieve a well rounded assessment of "the environment of the organisation to determine the threats and opportunities confronting the organisation". Marketing aims to maintain a positive impact on the demand for a company's products and services through the marketing mix made up of product, planning, pricing, placement and promotion (Ehling, White, & Grunig, 1992). They also have very different focuses namely '*publics*' in PR and '*market*' in marketing (Ehling, White, & Grunig, 1992).

The differences between these two focus areas are further clarified by Ehling *et al. (1992)*, as follows: publics come forth from the dealings the organisation engages in and arise on their own because of issues surrounding the organisation and organisations have no choice but to engage in communication with them. Furthermore, publics should be engaged in communication by public relations practitioners seeking to gather information on issues which can either threaten an organisation's mission or enhance it.

Markets are characterised as being chosen by the organisation to help fulfil its goals and that organisations can choose to ignore markets (Ehling, *et al.*, 1992). Marketing practitioners aim to create and focus on markets that can use the company's product or services. However, the fundamental difference between publics and markets, according to Ehling *et al.* (1992) is that organisations create markets by identifying the most likely consumers for a product or service. Publics, on the other hand, are social in nature and create themselves: "They (publics) arise around the consequences that the decisions made by the management of an organisation have on people ... who did not make the decision" (Ehling *et al.*, 1992:386). Once these 'publics' have surrounded themselves around an issue which can effect the organisation, positively or negatively, the organisation must handle the situation by communicating with them (Ehling *et al.*, 1992). Through the above account of some of the theoretical differences between PR and marketing it can be said, that both bring very distinctive expertise to the organisation.

1.6.2 Paradigms

The term paradigm can be referred to as a group of models, theories and assumptions that are commonly accepted within a particular field (Collins, 1996). It can further be described as a scientific world view which offers a way of looking at a particular concept. It normally encompasses a central idea which is shared by a number of theoretical approaches (Steyn, 2004). Both relationships and reflection has emerged as a paradigm for public relations. Similarly, relationships have also emerged as a paradigm for marketing.

In discussions on relationships as a new paradigm for PR, scholars have highlighted that there is no longer only a focus on communication messages as providing solutions to PR problems, but a definite shift to relationships as a true focus of PR (Steyn, 2004; Ledingham, 2003). Ferguson (1984: ii,[11] in Steyn, 2004:14) said that the "unit of study should not be organisation, or stakeholder, or the communication process. It should be the relationship between an organisation and its stakeholders". Ferguson also specified that there needs to be an understanding of organisations, their stakeholders and the environment in which they both exist.

Bruning and Ledingham (2000:87,[12] in Steyn 2004:15) saw the focus of this new paradigm as: "the influence of the organisation's activities on stakeholders' perceptions of the relationship and the outcome of such activities on stakeholders' behaviour". Ledingham (2003:181) said that this relationship paradigm in PR should balance the interests of organisations and publics through the management of organisation-public relationships and offered a theory of relationship management. This theory is highlighted as: "Effectively managing organisational-public relationships around common interest and shared goals, over time, result in mutual understanding and benefit for interacting organisations and publics," (Ledingham, 2003:190). Steyn (2007a:41) further explains that the emphasis has shifted from manipulating public opinion with communication messages for the enhancement of organisational gain "to combining symbolic communication messages and organisational behaviour to initiate, build, nurture and maintain mutually beneficial relationships between the organisation and its stakeholders". Hutton (1999) also supports this notion by saying that the purpose of public relations is to manage strategic relationships.

[11] Ferguson, M.A. 1984. *Building theory in public relations: Interorganizational relationships.* Paper presented at the annual meeting of the Association for Education in Journalism and Mass Communication, Gainesville, Florida.

[12] Bruning, S.D. & Ledingham, J.A. 2000. Perceptions of relationships and evaluations of satisfaction: An exploration of interaction. *Public Relations Review*, 26(1):85-95.

He proposes that managing strategic relationships is the best perspective as 'managing' involves planning, control, feedback and performance and 'strategic' involves planning, prioritisation, action orientation and focuses on the relationships which will be most relevant to client-organisation goals. Furthermore, "relationships" refer to effective communication, mutual adaptation, mutual dependency, shared values, trust and commitment (Hutton, 1999:204).

Similarly a paradigm shift is also taking place in marketing. Sheth and Parvatiyar (1995) observe that marketing has shifted its orientation from transactions to relationships. In their study they show that marketing has always been concerned with retaining profitable customers and facilitating future marketing activities, but that marketing practices adopted to achieve those goals have changed over time. According to Sheth and Parvatiyar (1995) there has been a movement from the peak of the industrialisation era where the orientation of marketing shifted to the transactional approach – because middle-men separated producers and users – to a one-to-one connection between producer and user. There has therefore been a shift from the exchange/transactional perspective which was based on value distribution and outcome to the relationship perspective which is based on process and value creation which brings about repeat purchase and brand loyalty.

The paradigm shift also indicates that there is no longer a short term action of exchange where a consumer just buys a product or service, but a long term notion of relationship which implies an association of the parties (Grönroos, 1996). Grönroos (1996:7) offers a comprehensive definition which states that:

> Relationship marketing is to identify and establish, maintain, and enhance relationships with customers and other stakeholders, at a profit, so that the objectives of all parties involved are met.

The differences between relationship management in PR and relationship management in marketing can be outlined as follows: PR relationship management is concerned with all publics surrounding the organisation and works towards establishing relationships with these publics and therefore creating a perception of the organisation in the minds of these publics. Relationship marketing is concerned with a relationship with consumers – in other words an already established market. Relationship marketing – although more concerned with long term relationships and value creation for the consumer in the new concept – still brings a return on the investment in the specific relationship. PR relationship management has no direct return on the investment in the relationship with the publics and is more concerned with the communal relationship and creating mutual understanding.

It is important to note that both relationship management functions (PR and marketing) have distinctive roles to play within the organisation and therefore the one process must not be placed above the other. Clark and Mills (1993) have outlined that public relations focuses on communal relationships whereas marketing focuses on exchange relationships. They both have roles to play within strategic communication.

There should be an understanding in the organisation that relationship management in PR won't always offer direct returns, but can build a foundation so as to make the organisation more resilient against threats that may arise. Spending only on marketing relationships, as it has a direct return on investment, would render the organisation vulnerable within its broader publics. Utilising both these relationship management paradigms is imperative in an organisation who wants to stand out from competitors. The question on how these two functions should be structured within the organisation to attribute to these stakeholder relationships and ultimately organisational effectiveness thus arises.

Furthermore, research with regard to public relations in Europe has also highlighted a reflective role for public relations which translates into a strategic role for public relations practitioners in addition to the defined managerial and technical roles. This strategic role operates on the top (macro or corporate) level of the organisation participating in and informing the dominant coalition of an organisation.

Vercic, Van Ruler, Bütschi, and Flodin (2001:375) describe that the words 'public relations' translated into European languages refers to working with the public, in the public and for the public. It furthermore suggests therefore that public relations, from a European point of view, include the public sphere in that it relates to issues that are publicly relevant. Vercic *et al.* (2001:375) therefore highlight that: "This concern with 'the public sphere' highlights the issue of legitimacy ... as one of the central concepts of public relations in Europe". Vercic *et al.*, (2001:377), also outlines that according to the European view and research with regard to public relations, they identify four roles or dimensions. They are: managerial; operational; reflective and educational. It is the view of European practitioners that one cannot respond to the managerial, operational and educational roles without being reflective. Therefore they regard the 'reflective role' as the most dominant role and purpose of public relations (PR) in Europe.

1.6.3 Worldviews

Worldviews can be described as the non-scientific mindset (attitudes, beliefs, views) of any individual or group of people (Steyn, 2004). Symmetrical and asymmetrical communication are two important worldviews in communication (Worrall & Steyn, 2006; Worrall, 2005:11).

The *asymmetrical* world view supports the notion that the organisation knows best and that publics/markets gain the most from co-operating with them. Such organisational behaviour is characterised by internal orientation and closed systems. In other words organisations view themselves from the inside-out and do not gain an outsider view and information flows from the organisation to stakeholders (one-way) (Grunig & White, 1992:38,[13] in Calcote, 2000).
The *symmetrical* worldview presupposes that the organisation makes mutual, cooperative adjustments to control and/or adapt to stakeholders and publics (Worrall, 2005:11). It is characterised by being open to input and receptive to information from the organisation's publics. The relationship between the organisation and the publics is therefore constantly changing in order to find common ground (Calcote, 2000).

Both public relations and marketing are both still undergoing changes in conceptualisation as management disciplines (Lages & Simkin, 2003; Morgan, 1996). The differences and changes occurring in public relations over the decades coinciding with the changes in purpose of the practice have informed the various models outlined in theory.

There are four models that can be outlined for public relations practice (Steyn, 2004) which in the research studied is regarded as the worldviews for public relations practice. It has taken the practice of public relations from a publicity approach to a public information approach which was followed by a two-way asymmetrical and two-way symmetrical model. It is interesting to note that the press agentry, public information and two-way asymmetrical models all encompass the asymmetrical world view as it influences stakeholders to accept organisational views and to behave in a way which is optimal for the organisation.

The fourth model of public relations, namely the two-way symmetrical model, aspires to create affects which are neutral and therefore desirable for both the organisation and its stakeholders enabling mutual understanding. It promotes dialogical communication. The definitive world view of how to practice corporate communication is symmetrical (Grunig & White, in Grunig, 1992).

[13] Grunig, J. & White, J. 1992. The Effect of Worldviews on Public Relations Theory and Practice. In J. Grunig, D. Dozier, W. Ehling, L. Grunig, F. Repper, & J. White (Eds.), *Excellence in Public Relations and Communication Management* (pp. 31 - 64). Hillsdale, NJ: Lawrence Erlbaum.

In marketing, there has been a shift from the exchange/transactional perspective which was based on value distribution and outcome (production orientation to sales approach) to the relationship perspective which is based on process and value creation which brings about repeat purchase and brand loyalty (Sheth & Parvatiyar, 1995). The general worldview which resonates through all these stages of marketing is asymmetrical therefore assuming that the organisation knows best and that stakeholders and publics benefit from 'co-operating' with it (Morgan, 1996).

1.6.4 Theories to be focussed on in the study

The major bodies of theory to be focussed on in this study includes: general theory of excellence in public relations; marketing management theory and stakeholder management theory. These theories will be discussed separately in chapter 2 (p.26).

1.7 Research strategy and methodology outline

The research strategy, design and methodology are detailed in chapter 3 (p.72).

1.7.1 Research design

The research design consists of two phases. The first phase will incorporate an exploration of the relevant literature. Phase two of the study will incorporate a quantitative study within the Life Healthcare group of hospitals – Eastern region.

1.7.2 Method of data collection

1.7.2.1 Source

A primary source (questionnaire) is utilised to collect data in order to inform the descriptive part of the study. Data gathered from the questionnaires are used to outline and describe the current patterns of the relationship between the public relations and marketing function within the Life Healthcare hospitals in the Eastern region. The second part of the study is aimed at gathering information with regard to the building of relationships with stakeholders.

1.7.2.2 Questionnaire design

Information is gathered by means of an empirical study. Respondents are requested to complete a structured, self-administered questionnaire.

In order to assess the dependant and independent variables of the study, it is necessary to include the hospital manager as well as the incumbents of the various marketing/communication positions of the hospitals in this study. Questionnaires were e-mailed to each of the individuals mentioned. This allowed for follow-up to make sure the intended person had received the e-mail timeously in order to partake in the project within time frames set.

Questions are formulated according to questionnaires used in previous research studies with regard to the relationship between public relations and marketing (Worrall, 2005) and the outcomes of stakeholder relationships (Grunig & Hon, 1999). These existing questionnaires were re-modelled and applied to the specific situation being researched in this study; however the essence remained the same. The questionnaire comprised of three sections. These sections are: A) questions focussed on background; skill and involvement in the organisation, B) questions focussed on functions executed within the public relations and marketing departments, and C) questions focussed on stakeholder relationships. These sections have been outlined specifically to assess the dependant variable, namely the relationship between the marketing and public relations functions and the independent variables, namely the skills evident, functions of the said departments and outcomes of stakeholder relationships. In order to gather the data needed the questionnaire consists of 7 and 5 point Likert-scale type questions where a number of statements are included in which respondents need to indicate their answer on the scale presented.

It is important to note, that because of the different respondents targeted and information needed in order to assess the dependant and independent variables of the study i.e. hospital managers or incumbents of public relations, communication or marketing posts, the questionnaire carries clear instructions as to what is needed.

Furthermore, a pilot study was conducted with one hospital within the Life Healthcare Eastern region in order to test the questionnaire before further research was undertaken. The respondents were requested to give feedback on the questionnaire in terms of ease of completion, whether questions/terminology are easy to understand as well as whether instructions are clear. This will also assist in assessing the reliability and validity of the questions asked and the overall study.

1.8 Delimitation of the study

This study will focus on the following:

- Providing theory with regard to public relations, marketing and stakeholder management and relationships in order to explore and discuss the collaboration of the public relations and marketing domain within stakeholder management.
- It seeks to develop a framework for the strategic collaboration of public relations and marketing in stakeholder management which could be tested in further research.
- It is based on previous research conducted in the public relations and marketing domain by Worrall (2005) and stakeholder relationship research conducted by Grunig and Hon (1999).
- It will not explore the theory of strategy formulation and the levels of contribution of public relations and marketing to strategy formulation and the various roles within it. It will however explore public relations and marketing's overall contribution to organisational effectiveness, in their own right, through the establishment of sound stakeholder relationships by all roles within the public relations and marketing function.
- The framework will focus on synthesis rather than integration of the two functions. The reasons for conflict between the two functions (public relations and marketing) and resultant theories based on integration, namely integrated marketing communication and marketing public relations will therefore not be incorporated into this study.
- This study will be limited to the hospitals within the Life Healthcare group – Eastern region that has incumbents employed in the areas of public relations and marketing.

1.9 Assumptions

An assumption is a hypothetical statement that the researcher chooses to accept as the truth, at least for the purposes of the investigation. Assumptions are therefore background beliefs that underlie other decisions in the research process (Mouton, 1996:123,[14] in Steyn, 2000b:26).

It is important to note that the research outlined in this proposal rests on the following assumptions:

- that the term public relations and corporate communication are interchangeable;
- that the public relations function outlines relationships and reflection as a true focus of corporate communication including the roles of strategist, manager and technician and;
- that the relationship paradigm is a true focus of marketing.
- That public relations and marketing (including all their various roles) contribute to the strategic level and organisational effectiveness of the specific organisation.

[14] Mouton, J. 1996. *Understanding social research*. Van Schaik: Pretoria.

1.10 Benefits and importance of the study

Leedy (1993:76) highlights that it is important to outline the purposes of a study, in other words – what practical value does the study have?

The key concept in this study is synthesis rather than integration. In other words, the study will look at how public relations and marketing can collaborate on a strategic level with regard to stakeholder management, without loosing their own respective uniqueness. Therefore, each function must retain their own identity and goals and bring their own competencies into stakeholder management in order to assist with the achievement of effective relationships – as is necessary in excellent organisations (Grunig & Grunig, 1998). Therefore, in this study, the problem is identified as how public relations and marketing can work together without encroaching on each others field as it is pertinent in previous research that collaboration, specifically with regard to stakeholder management, should take place (Worrall, 2005). This would allow both functions to display their unique character and both contribute to the stakeholder management process in their own right. The literature review outlines that public relations and marketing both have very distinct natures and contributions to make.

In terms of value to the Life Healthcare group, it could suggest how departments should be structured in future as to cultivate a collaborative milieu in which the individual hospitals could gain maximum benefit from both the public relations and marketing functions in stakeholder management thereby contributing to organisational effectiveness. Vinten (2000:382) highlights the importance of stakeholder management when saying that:

> At the extremes there are stakeholder groups which, if not handled suitably, may have the power to bring an organisation to its knees. There can be no greater service than to assist the survival, sustainability, growth and prosperity of the organisation...

Furthermore, this study will serve to explore some of the issues pertinent within the public relations field today and simultaneously aim to develop a further model for the collaboration of public relations and marketing in stakeholder management within a service environment.

Therefore, it is anticipated that the outcome of this research study will provide a framework for the collaboration of public relations and marketing in stakeholder management within service organisations which can be tested empirically in further research studies.

1.11 Division of chapters

This first chapter, together with the literature review (chapter 2), forms the conceptual framework for the study (in other words it outlines the 'what' and 'why'). The research design section (chapter 3) describes '*how*' the study is conducted. Chapter 4 reviews the findings of the study; chapter 5 outlines the development of the collaborative framework for public relations and marketing and chapter 6 outlines findings, conclusions and recommendations.

- Chapter 1 (p.2): In the first chapter the problem and research objectives are stated. Guiding hypotheses are outlined and the conceptualisation, delimitations, assumptions, and importance of the study are explicated. Information with regard to the research design and methodology are also outlined.
- Chapter 2 (p.26): Theory and conceptual framework – this chapter sets the scene with regard to the domain .of public relations and marketing, their contribution to organisation-public relationships as well as theory with regard to stakeholder management and relationships.
- Chapter 3 (p.72): This chapter outlines the following – research strategy; design; methodology: empirical study; questionnaire; sampling; and data processing.
- Chapter 4 (p.82): Discussion of findings.
- Chapter 5 (p.156): Outline and discussion of proposed framework for the collaboration of public relations and marketing in stakeholder management.
- Chapter 6 (p.182): In this final chapter - limitations are explicated and recommendations for further research are made. Findings and conclusions reached (with respect to the problem and research objectives) are outlined.

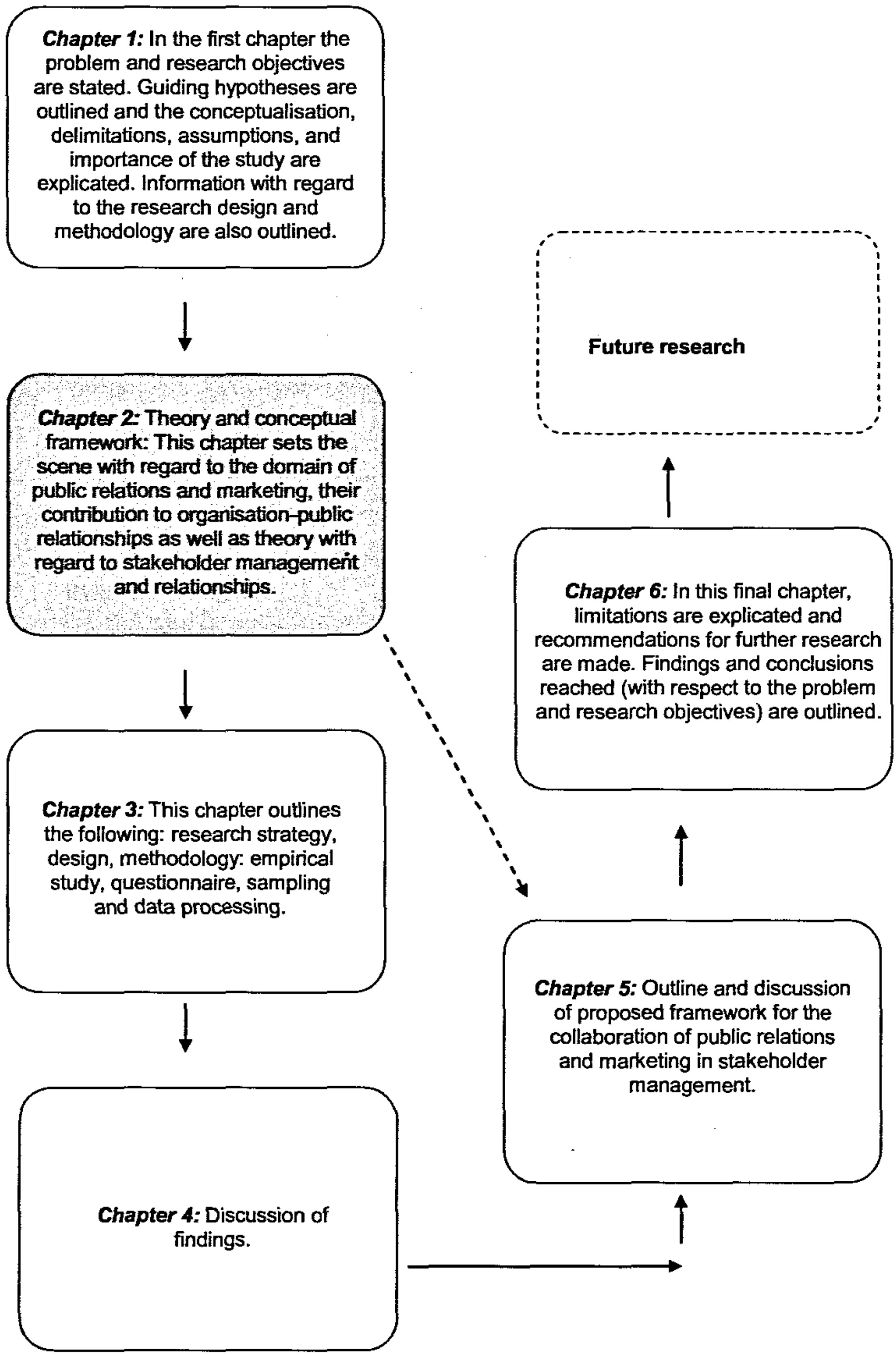

Figure 2.1: Outline of research report

CHAPTER TWO
THEORY AND CONCEPTUAL FRAMEWORK

Public relations and marketing are both essential functions to the modern organisation. They both draw from different paradigms in order to contribute to organisational effectiveness. This chapter outlines each domain and highlights the essence of the two respective domains in conjunction with the paradigms and worldviews it encompasses. It serves as a backdrop to the conceptualisation of the framework for their collaboration in stakeholder management. The chapter will further outline stakeholder management and relationships which will serve as a platform for the conceptualisation of the framework as the management of stakeholders has an affect on organisational strategy. This chapter serves as part of phase one of this study and realises research objective one – namely to, through theory, explore the boundaries of the public relations and marketing function and their contribution to stakeholder management and relationships.

2.1 Discipline/domain

2.1.1 Public relations/Corporate communication

2.1.1.1 Boundaries and definitions

There has been much discussion in theory as to the discipline public relations belongs to, namely whether it is social science or management science (Groenewald, 1998; Lages & Simkin, 2003). Steyn (2004) and Groenewald (1998) view public relations as a mature social science. In other words it has evolved to include other theories such as organisational and communication theories which have lead to the development of its own theory unique to the field (i.e. the excellence theory). Steyn (2007b) states that in Europe the study of PR is concerned with theory (management; communication and social sciences) and in the United States it is concerned with practical applications. Steyn suggests that focusing on practical applications is also the main focus of PR education in South Africa. Groenewald's (1998) research highlights that communication management training in South Africa is a synthesis of organisational, management, business and corporate communication training. All four of these aspects are regarded as business-related sub-disciplines based in the management sciences.

Many definitions of public relations have been noted, but perhaps the most comprehensive is that of Harlow[15] (in Hutton, 1999: 199), which outlines a working definition for public relations gathered from 472 definitions:

> Public relations is a distinctive management function which helps establish and maintain mutual lines of communication, understanding, acceptance and co-operation between an organization and its publics; involves the management of problems or issues; helps management to keep informed on and responsive to public opinion; defines and emphasizes the responsibility of management to serve the public interest; helps management keep abreast of and effectively utilize change, serving as an early warning system to help anticipate trends; and uses research and sound and ethical communication techniques as its principal tools.

This definition together with *The Public Relations Institute of Southern Africa* (PRISA, 2008) brings stakeholder management into the fore in their definitions when it defines public relations as: "the management, through communication, of perceptions and strategic relationships between an organisation and its internal and external stakeholders".
Public relations can therefore be seen as the function which is tasked with assessing the environment of the organisation to determine the threats and opportunities which confronts the organisation. Varey (1998, 184) outlines that:

> Its (public relations) primary mission is thus the total managed corporate effort to communicate effectively and profitably in a co-ordinated, structured, skilled manner with a clear policy and capability enhancement focus. It uses a wide variety of management and communication activities to make information accessible and to involve stakeholders in mutually beneficial relationships.

2.1.1.2 Perspectives

There are four perspectives (Steyn & Puth, 2000:17-19; Steyn, 2000a:20-43) to public relations practice outlined in the theory studied which inform the different roles that could be fulfilled within the practice of public relations. The perspectives are:

- Strategic management perspective
- Boundary spanning perspective
- Mirror perspective
- Window perspective

The first perspective, namely the *strategic management perspective*, can be defined as balancing the internal activities of the organisation with strategies for dealing with factors external to the organisation thereby allowing the organisation to deal with issues and achieve effectiveness (Steyn & Puth, 2000:17).

The concept of the strategic management perspective therefore could connect with public relations in two ways (Steyn & Puth, 2000):

[15] Harlow, R.F. 1976. Building a Public Relations Definition. *Public Relations Review*, 2:4, p. 34-42.

First of all senior communication practitioners can be involved with scanning the environment of the organisation to ascertain what the environmental conditions are and surmise the scope thereof. Secondly, practitioners can manage their programmes strategically and make sure that it aligns the communication goals with the organisation's mission.

The *boundary spanning perspective* incorporates important factors by which understanding of the organisation's external environment is created. Boundary spanning has two major elements: information inputs into the organisation and information outputs from the organisation (Steyn & Puth, 2000:60). These two roles can be outlined as information processing and external representation (Steyn, 2000a). Boundary spanning is seen as a relevant informal social mechanism which is excellent for obtaining and gaining meaning from "timely, current and soft issues" and can be described as the group of activities concerning organisation-environment interaction (Steyn & Puth, 2000:19). Therefore boundary spanning roles are mostly involved with bringing information into the organisation or communicating information/sending information out to the environment (Steyn, 2000a). The individuals who perform boundary spanning activities can be seen as the individuals within the organisation who interact with the organisation's environment (Steyn & Puth, 2000:59). They gather information from the external environment and disseminate it to the internal structure of the organisation. Activities associated with this information processing role include acquiring and controlling information from external sources. It also includes taking a decision as to when, and which parts of the information will be communicated to whom (Steyn & Puth, 2000a). Grunig and Hunt[16] (in Steyn & Puth, 2000:19) say that the boundary spanning role of corporate communication practitioners can also be seen as "functioning on the edge of an organisation acting as liaison between the organisation and its external and internal stakeholders". It is important to note that the boundary spanning role of practitioners permit them to isolate themselves from the organisation, allowing them to view the decisions and policies of the organisation from a different point of view – putting them in the position to make sure that the organisation stays aligned with their environment (Steyn & Puth, 2000:19).

The *mirror perspective* (Steyn & Puth, 2000:19; Steyn, 2000a) outlines the need for the monitoring of relevant environmental developments and anticipation of their consequences for the organisation. In order for the organisation to gain maximum input from the environment, a source of intelligence is needed in the environment to gather information with regard to stakeholder groups. For this type of intelligence to be used effectively, it should be collected and interpreted at one point (Steyn & Puth, 2000). The public relations practitioner

[16] Grunig, J.E. & Hunt, T. 1984. *Managing public relations*. Holt, Rinehart & Winston: New York.

of an organisation is in an excellent position to handle these aspects as they have wide contact with internal and external stakeholders (Steyn & Puth, 2000).

The *window perspective* outlines that messages are to be formulated keeping strategy and policy in mind, and communicated to stakeholders through communication programmes – thereby portraying all facets of the organisation in the messages. The public relations function within an organisation is in an excellent position to create an "active outward orientation for the organisation, establishing a firm base for mutual understanding and co-operation with strategic stakeholders" (Steyn & Puth, 2000:19).

2.1.1.3 Roles

It is evident in theory that, in the practice of public relations, the practitioner can fulfil various roles as informed by the domain, definitions, terms and perspectives of public relations. "Roles refer to the standardised patterns of behaviour required of individuals in specific functional relationships" (Steyn & Puth, 2000:14).

Roles	Outline	Activities	Model used in practice *(see p.30 for outline of models)*
Traditionally four roles were subscribed to the PR practitioner* (Lages & Simkin, 2003:304; Steyn & Puth, 2000:15). *They are:			
Expert prescriber	• Authority on problems and solutions in corporate communication • Best informed about communication issues • Best qualified to answer communication questions	• Researches and defines communication problems, develops programmes, takes responsibility for implementing programmes • Responsible for outcomes but not involved in decisions and critical part of the situation	two-way asymmetric; publicity or press agentry
Communication facilitator	• Go-between, communication link between manager and stakeholders	• Removes barriers in the relationship between organisation and stakeholders; Boundary spanners who improve decisions related to policies, procedures, and actions of both stakeholders and organisations; Keeps two-way communication flowing between organisations and stakeholders	public information and two-way symmetric models
Problem-solving process facilitator	• Helps others within organisation to solve communication problems • Part of strategic management team	• Practitioners work with top management in defining and solving communication problems	two-way symmetric model
Corporate communication technician	• Do not participate in decision making	• Carries out technical work which executes the policy and decisions made by others; provide communication and skills such as writing, editing, and production to execute tasks; do what is needed to execute communication programmes	press agentry and public information models

Roles	Outline	Activities	Model used in practice *(see p.30 for outline of models)*
Later it was concluded through empirical research studies (in the 1980's) that the four roles could be reduced to two (Lages & Simkin, 2003:304-305; Steyn & Puth, 2000:14). In other words, research could only distinguish between two roles:			
Manager	• The roles of expert prescriber, communication facilitator, and problem solving facilitator were seen to be interchangeable within this role • Held accountable for communication programmes' outcomes • Viewed as communication experts	• Communication policy and communication decisions; use research to plan or evaluate work; counsel management; facilitates communication between management and publics, guide management in relationships with stakeholders; conceptualise and direct communications programmes	• two-way asymmetric; publicity or press agentry • public information and two-way symmetric models • two-way symmetric model
Technician	Exactly emerged as described above in corporate communication technician		
Recent research by Steyn (Steyn & Puth, 2000:17, 20; Steyn, 2000a:20-43) has also empirically verified and conceptualised another role for public relations practitioners in South Africa, namely the role of strategist:			
Strategist	• The practitioner in this role operates at the top management level	• The role consists of monitoring the environment developments; anticipating their consequences for policy and strategy • Identifying the organisations strategic stakeholders and issues • Contributes to the organisation's strategy formulation processes which results in a contribution to corporate strategy • Manages environmental turbulence by developing and maintaining relationships with strategic stakeholders • Develops communication programmes to address strategic stakeholders and issues	Any of the models are used to communicate – depending on the communication message and situation within the strategist role

Figure 2.2: Graphic presentation of roles of public relations
(Own conceptualisation based on theory from Steyn, 2007a; Moss, Newman & DeSanto, 2004; Lages & Simkin, 2003; Moss & Green, 2001; Steyn & Puth, 2000)

2.1.1.4 Models

Public relations models refer to the way in which the profession of public relations is practiced and is a broader pattern of behaviour than is outlined in a role. It is informed by the various roles outlined for public relations practitioners and therefore further assists in defining the domain of public relations. The differences and changes occurring in public relations over the decades coinciding with the changes in purpose of the practice seems to have informed the various models outlined in theory. A model attempts to show the main elements of any structure and the relationship between them (Steyn, 2000b).

A corporate communication model can be described as a group of principals and a certain path of behaviour which illustrates the approach taken by a public relations department or practitioner in the programmes and campaigns they are executing (Steyn, 2000b). There are four models that can be outlined for public relations practice (Steyn, 2004; Grunig & Hunt, 1984; Hogg & Doolan, 1999; Hutton, 1999) which in the research studied is regarded as the worldviews for public relations practice:

Model	Purpose	Direction	Era
Press agentry or publicity model	Serves as a propaganda function; aims to obtain favourable publicity	One way - asymmetrical	The public be fooled.
Public information model	Serves as disseminator of information; conveys objective, but favourable information through controlled mass media	One way - asymmetrical	The public be informed.
Two-way asymmetrical model	Acknowledges concept of research – providing and soliciting information from stakeholders; the information is used to manipulate and influence stakeholders to accept organisational views and behave in a way which is optimal for the organisation; it produces messages that will create attitudes and behaviours desired by the organisation, the organisation therefore does not have to change.	Predominantly one-way asymmetrical	The public be manipulated.
Two-way symmetrical model	Aspires to create affects which are neutral and therefore desirable for both the organisation and its stakeholders; research is used to create mutual understanding; promotes dialogical communication; practitioners are seen as mediators between an organisation and its stakeholders	Two-way symmetrical	Understanding – an era of good corporate governance perhaps?

Figure 2.3: Graphic presentation of models for public relations
(Own conceptualisation based on theory from Steyn, 2000b; Hogg & Doolan, 1999; Hutton, 1999; Grunig & Hunt, 1984)

2.1.1.5 Communication research

There are two broad types of research into which communication research can be classified, namely environmental scanning and evaluation research (Steyn & Puth, 2000:158).

2.1.1.5.1 Environmental scanning and social auditing

Environmental scanning is a type of corporate communication research and is the process by which the organisation's environment is monitored to analyse and evaluate opportunities and threats as they arise, out of the interaction and relationships with other organisations, social groupings or individuals (Steyn & Puth, 2000:158).

This includes the process of gathering information in order to be translated into and used in strategic decision making (Lauzen, 1995). Nastanski (2004:426) highlights scanning as: "A concept which presents a possible solution to understanding market turbulence and a potential theoretical and practical foundation for developing adaptive skills and orientations within the management team". The aims of this research process are: to identify events and trends in the external environment; to make sense of the possible relationship between them; to support organisational development and design; and to provide an agenda for executive boards and management education (Costa & Teare, 2000). Environmental scanning has proved to be very important in business today. Research has showed that employing environmental scanning and linking it to the formal planning process of an organisation can lead to improved performance (Teare & Bowen, 1997). It is also a key factor to sustained competitive advantage and therefore calls for businesses to integrate their business strategy and environment – environmental scanning is therefore more and more seen as the first step in assisting organisations to successfully align competitive strategies and environmental requirements (Analoui & Karami, 2001). Temtime (2004:225) adds to highlighting the importance of environmental scanning by saying that: "It is the ability of managers to effectively respond and adapt to the changing environment that makes the difference between success and failure in today's turbulent and dynamic markets". There are two approaches to environmental scanning, namely the 'outside-in' approach and 'inside-out' approach (Steyn & Puth, 2000).

The external environment of an organisation consists of the social and task environment. The social or general environment consists of the social, political, regulatory, technological, ecological and economic factors which often influence the organisation's long term decisions. The task environment relates to those groups which could directly affect the organisation and consists of the customers, competitors, suppliers and employees (Ngamkroeckjoti & Johri, 2000; Hagen & Amin, 1995; Olsen, Murthy & Teare, 1994). Olsen *et al.* (1994) add a third category, namely the functional category, under which they place areas such as finance, human resources, operations, administration, marketing, research and development.

Because the external environment surrounding an organisation can have an affect on the organisation and shape the way they conduct their business in the future (Steyn & Puth, 2000), it is necessary to use the 'inside-out' and 'outside-in' approach to environmental scanning.

Very similar to environmental scanning is, *social auditing:* "Social auditing determines the effects the organisation has had on its stakeholders and the extent to which those effects must be corrected" (Steyn & Puth, 2000:161). The primary focus of this type of auditing is to "examine, catalogue, systemise and measure the organisation's performance as a corporate citizen" (Steyn & Puth, 2000:161). Corporate communication auditing is often used to define stakeholders and to determine how they perceive and evaluate the organisation (Steyn & Puth, 2000:161-162). There are two types of audits, namely: 1) *audience identification*: it identifies the relevant stakeholders and ascertains whether the organisation has an effect on them or whether they effect the organisation; it evaluates the organisation's standing with each stakeholder and focuses on perceptions, attitudes and involvement with the organisation; it identifies issues of concern and measures the power of each stakeholder; and 2) *corporate image studies*: it can be classified as an extension of the audit as it determines the familiarity with- and the attitudes each of these stakeholders have towards the organisation as well as the personality characteristics each stakeholder associates with the organisation.

2.1.1.5.2 Evaluation research

This type of corporate communication research is primarily conducted to ensure or determine the effectiveness of a corporate communication programme and plan. Two types of evaluation research can be outlined, namely *formative* evaluation research and *summative* evaluation research. *Formative* evaluation research normally takes place before the programme, strategy or plan is implemented and helps practitioners to formulate the proposed plans. It assists with ensuring or improving the effectiveness of future corporate communication efforts. *Summative* evaluation research is used to measure the programmes, monitor their implementation and evaluate its performance against the stated objectives. It helps to summarise the overall impact of the programme and ascertain whether the objectives have been met. It is usually ongoing and is implemented before, during and after implementation of the programme (Steyn & Puth, 2000:158-159).

Kendall[17] (in Steyn and Puth, 2000:159) outline three stages of evaluation research, namely:

- *In-process evaluation*: this type of evaluation monitors the programme and plan whilst it is still in process. This allows the practitioner the option to alter the plan and put back-up actions in place. This is particularly useful when unforeseen circumstances arise which could have an impact on the situation. This type of evaluation is thus used to keep record of facts, impressions and relationships which could be used for further evaluation purposes.
- *Internal evaluation*: this type of evaluation monitors the programme and plan after its execution. It includes formal research and can be seen as an "autopsy" of the entire campaign. It should shed light on any problem areas and why it occurred as well as whether objectives were or were not achieved.

[17] Kendall, R. 1992. *Public relations campaign strategies: Planning for implementation.* HarperCollins Publishers: New York.

- *External evaluation*: this type of evaluation puts a spotlight on the effect of the campaign on situations outside of the organisation. This could include targeted stakeholders, media coverage and public behaviour in general. Measurements could include monitoring changes in the various target groups, media monitoring, gatekeeper evaluation etc.

There are various outcomes which can be achieved through evaluation research, they are (Kendall in Steyn & Puth, 2000:160) (*see footnote 17*):

- *Goal achievement*: it shows that the goal was extracted from a thorough analysis of the situation and that the research identified the true nature of the problem; the criteria for the achievement of the goal is whether it solved the problem or not.
- *Measurement of improvement*: it shows that a benchmark was used to ascertain the effects of the campaign. In other words the evaluation research monitored the programme, detected changes in the situation and made programme adjustments.
- *Measurement of results*: measuring the results does not necessarily mean that the goal was achieved. Tools such as press clippings can be used as a measurement tool, however it indicates that the message was placed, it doesn't indicate whether it was retained or had an affect on the audience.
- *Cost efficiency*: it attempts to measure the success of the campaign by ascertaining the monetary value of the results in relation to the money or efforts spent on the campaign.
- *Unexpected effects*: it measures the effects of the campaign on the organisation itself. It involves evaluation of the organisation as a result of the campaign. External stakeholder campaigns which are well managed often leads to shared understanding of the organisation's culture and an unexpected improvement of employee morale.
- *Unarticulated hopes*: Leaders may have unarticulated hopes for the campaign. Therefore achievements shown through evaluation must be well documented throughout the campaign as being a result of the campaign itself.

2.1.1.5.3 Communication content auditing

This type of corporate communication research is conducted in order to ascertain whether the messages communicated through the communication programme and plan have actually reached the target audience. It assesses the communication activities. It contains the following measures: readership surveys, content analysis of messages and measurement of the readability of messages. These methods are used for pre-testing messages or to measure communication objectives (Steyn & Puth, 2000:162).

2.1.1.6 Situational theory of publics

One of the important considerations in stakeholder management is to identify and classify which stakeholders are important to the organisation and should be considered within the organisation's environment. In other words, as outlined by Mitchell, Agle and Wood (1997), organisations need to define and clarify 'what and who really counts' in order for managers to deal with stakeholders that could affect or are affected by the pursuit of the organisation's objectives. In order to strategically manage stakeholders, it is necessary for the organisation to therefore identify the various stakeholders and categorise them into groups with similar values, issues and concerns (Steyn & Puth, 2000), thereby systematically taking the interests of those groups which can affect the organisation, into account (Freeman & Liedtka, 1997). It is crucial for management of an organisation to identify and classify their stakeholders in order to effectively plan, organise, lead and control the operations of the company. It is therefore all the more important that the different relationships or linkages the Life Hospitals have with stakeholders within its environment are understood and incorporated strategically.

2.2 Marketing

2.2.1 Boundaries and definitions

Marketing has its origin from early economics and was motivated by the lack of interest economists had in market behaviour and grew from the importance of distribution and the use of middlemen in the industrial era (Sheth & Parvatiyar, 1995). Thus, "marketing as a discipline got organized around the institutional school of thought, and its main concerns centred around the functions performed by wholesalers and retailers as marketing institutions" (Sheth, Gardner & Garett[18] in Sheth & Parvatiyar, 1995:401). This school of thought and marketing thinking was later influenced by organisational dynamics as well as other domains such as social sciences, psychology, sociology and anthropology (Kotler[19], 1972 in Sheth & Parvatiyar, 1995).

Sheth and Parvatiyar (1995) points out that in a post-industrial era, marketers realised the need for substituting a transaction-orientation for an orientation where more concern was shown for customers which in turn would force a focus on repeat purchase and permanence in the buyer-seller relationship. Furthermore, they (Sheth & Parvatiyar, 1995:408-409) identify five forces which lead to the focus on relationships, namely: advances in information technology; the adoption of quality programmes by organisations; growth of the new business paradigm and service economy; organisational development process leading to the empowerment of individuals and teams; and an increase in competitive intensity which lead to the focus on customer retention. Gummeson (1997:267) outlines that the theoretical and practical base for relationship marketing has been built on "synthesis between the marketing mix [product, place, price and promotion] and traditional marketing management, services

[18] Sheth, J.N., Gardner, D. M. & Garett, D.E. 1998. *Marketing Theory: Evolution and Evaluation*. John Wiley & Sons. Inc, New York.
[19] Kotler, P. 1972. A Generic Concept of Marketing. *Journal of Marketing*, 36: 46-54.

marketing, the network approach to industrial marketing, quality management, organisational theory and observations from reflective practitioners".

Similar to public relations, many definitions have also been attributed to marketing. Kotler (1994:6) outlined perhaps one of the most widely acknowledged definitions, namely: "marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating, offering, and exchanging products of value with others". Varey (1998:181) describes marketing as "a special grouping of human communication activities which aims to adapt the company's offering to the customer's needs and wants and then to communicate that this has been done, so as to create an economic exchange".

2.2.2 Elements

Kotler (1994:7) outlines the core elements of marketing as:

- Needs, wants, and demands
- Products
- Value, cost, and satisfaction
- Exchange, transactions, and relationships
- Markets
- Marketing and marketers

2.2.2.1 Needs, wants and demands

With reference to Maslow's hierarchy of needs, five levels of needs can be identified from which wants and demands come forward. They are physiological needs; personal security needs; social needs; need for self-respect and acceptance by others; and need for self-realisation. This model is relevant to the marketing situation as a higher level of need will only be activated once the previous level has been satisfied.

These mentioned levels of needs are indicated by the society and immediate environment in which the potential customer exists (Hunter, 1997; Cronje, Hugo, Neuland & Van Reenen, 1993). Kotler (1994) brings forth that marketing thinking starts with the facts surrounding human needs and wants – the basic level of needs including things like food, shelter and clothing and higher needs including the desire for recreation and education. Kotler (1994:7) distinguishes between needs, wants and demands by describing a need as "...a state of felt deprivation of some basic satisfaction" – in other words the more basic needs described above. 'Wants' can be described as "desires for specific satisfiers of ...deeper needs" (Kotler, 1994:7). Thus it refers to things we desire, but don't really need to survive. 'Demands' – "are wants for specific products that are backed by an ability and willingness to buy them" (Kotler, 1994:7). In other words, wants become demands when they are supported by purchasing power (Hunter, 1997). The impact on organisations in terms of wants, needs and demands are therefore that they not only have to measure how many potential clients want their product, but also how many of them will be able and willing to buy it" (Hunter, 1997:97; Kotler, 1994:7).

2.2.2.2 Products

People satisfy their needs and wants with goods (products) and services (Hunter, 1997). Kotler (1994:8) uses the term 'product' as anything that can be offered to satisfy these needs and wants. Cronje *et al.* (1993:174) describes a product as "a grouping of tangible and intangible need-satisfying useful things that are offered to customers by organisations so that they can take note of it, purchase it and use it" *(direct translation – see footnote [20] for original text)*. However, the "value of a physical product lies not so much in owning it, but rather in obtaining a service through it" (Hunter, 1997). "Physical products are...vehicles that deliver services to us" (Kotler, 1994:8). However, it must be remembered that services are not only supplied by physical products, but also by other vehicles, such as persons, places, activities, organisation and ideas" (Hunter, 1997; Kotler, 1994).

2.2.2.3 Value, cost, and satisfaction

A consumer could seek for several alternative products to satisfy a need, called a product choice set, or to affiliate themselves to a service/product which can satisfy more than one need, called a need set (Hunter, 1997:98; Kotler, 1994:8). The value a customer attaches to a product is determined by his or her estimate of a product's benefits and capacity to satisfy these needs. The consumer, therefore, has to decide which product will deliver the most total satisfaction at the best possible cost (Hunter, 1997:98; Kotler, 1994:8).

2.2.2.4 Exchange, transactions, and relationships

Exchange is one way of obtaining products and services. Marketing is a consequence of this approach to the acquisition of products – "exchange is the act of obtaining a desired product from someone by offering something in return" (Kotler, 1994:9). Five conditions have to be met for an exchange to occur.

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[20] *"'n Samestelling van tasbare en ontasbare behoeftebevredigende nuttighede wat deur 'n ondememeing aan verbruikers aangebied word, sodat hulle daarvan kennis kan neem, dit kan aanskaf en kan verbruik."*

They are: 1) there are at least two parties; 2) each party has something that might be of value to the other party; 3) each party is capable of communication and delivery; 4) each party is free to accept or reject the offer; and 5) each party believes it is appropriate and desirable to deal with the other party (Pride & Ferrell, 1995:6-7; Kotler, 1994:9). It is when these criteria are fulfilled, that there is a potential for an exchange to take place. It is only when these parties can agree on the terms of exchange which will leave them better off or at least not worse off, that an exchange actually occurs (Hunter, 1997). The exchange can then be viewed as a transaction or "a trade of values between two parties" (Kotler, 1994:9). As creating customer satisfaction is viewed as an important concept in marketing, marketing activities should therefore aim at creating and maintaining satisfying exchange relationships (Pride & Ferrell, 1995:7).

2.2.2.5 Markets

A market can be described as a relatively large amount of people who have a need for a certain product, they have the means to buy it, are willing to spend money to obtain this product and who are allowed to spend money on this product (Cronje *et al.*, 1993:157). A market is often fragmented into several market segments of the total potential market. These market segments normally contain people with similar needs, wants and sought product benefits thereby creating smaller and more homogenous segments within the total potential market (Cronje *et al.*, 1993:157).

Markets are therefore characterised by the following: They are chosen by the organisation to help fulfil its goals; organisations can choose to ignore markets (Ehling *et al.*, 1992); and marketing practitioners aim to create and focus on markets that can use the company's product or services. It can thus be outlined that the marketing function is concerned with consumers and their markets are concerned with products and their availability.

2.2.2.6 Marketing and marketers

The American Marketing Association (AMA) outlines marketing as: "... the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large (AMA, new definition of marketing established in 2007). This definition evolved from the AMA 2004 definition which stated that: "Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders" (AMA, definition of marketing established in 2004).

In the 2007 definition, marketing is regarded as an 'activity' instead of a 'function' and positions marketing as a broader activity in a company/organisation, and not just a department. The new definition also positions marketing as providing long term value rather than narrowly as an exchange of money (short-term) for the benefit of the shareholder/organisation (American Marketing Association – Lotti, 2007). Kotler (1994:13) outlines that marketing management has "the task of influencing the level, timing, and composition of demand in a way that will help the organization achieve its objectives". Kotler (1994:28) also outlined the societal marketing concept which outlines that "...it is the organization's task to determine the needs, wants, and interests of target markets and to deliver the desired satisfaction more effectively and efficiently than competitors in a way that preserves or enhances the consumer's and the society's well being".

In other words companies must not only focus on the needs and wants of their customers, but also the consequences of satisfying these needs. This marketing concept is more in line with the type of marketing that needs to be practiced in the Life Healthcare group of hospitals.

2.2.3 Process

Kotler (1994: 94) and Kotler and Armstrong (1992:41) outlines the marketing process as "...analyzing marketing opportunities, researching and selecting target markets, designing marketing strategies, planning marketing programmes and organising, implementing, and controlling the marketing effort".

2.2.3.1 Market opportunities

The first task that needs to be carried out within marketing management is to analyse any long-run opportunities within its market in order to improve its performance and gain organisational effectiveness. In order to evaluate these opportunities, the organisation would require a reliable marketing information system. This system will allow the organisation to identify potential customers, their needs and wants, their locations and buying practises thereby making sure they deliver what is needed within the given market (Hunter, 1997).

2.2.3.2 Target markets

The next step within the marketing process is to research and select the various target markets the organisation will focus its marketing efforts on. This includes estimating the markets' overall size, growth, profitability, and risk. All this collected information will be used to decide which market is to be focussed on.

These markets are then divided into major market segments which will be evaluated. This allows the organisation to select the market segments which they can best serve with that which they offer (Kotler, 1994:94-96).

A market consists of various buyers who differ in a variety of aspects. These aspects include their wants, purchasing power, geographic locations, buying attitudes, buying practices (Kotler, 194:265) as well as – in the case of hospitals – demographics and psychographics (age and lifestyle is often a indicator for markets where specific health communication will be targeted). These indicators can therefore be used to segment the market into homogenous groups in order to target marketing activities. Markets can thus be grouped into *market segments* – which are large identifiable groups within a market and *niches* – which is a more narrowly defined group that may seek a special combination of benefits (Kotler, 1994: 267). The process used to segment markets consists of three stages, namely:

1) *Survey stage* – research tools are used to gain insight into consumer motivation, attitudes and behaviour;
2) *Analysis stage* – where analysing statistics are applied to the information gathered to create different clusters of different segments;
3) *Profiling stage* – where each of these clusters is profiled in terms of distinguishing attitudes; behaviours; psychographics and media-consumption habits.

These segments are usually given names based on a dominant distinguishing characteristic of the cluster. The major variables used to segment a market are geographic segmentation; demographic segmentation; psychographic segmentation, and behavioural segmentation (Hunter, 1997:106-107; Kotler, 1994:270-278).

After the market has been segmented, each segment needs to be evaluated in order to decide which and how many segments will be focussed on. This *market targeting* uses three factors to make the necessary decision (Kotler, 1994: 281-283):

1) *Segment size and growth* – refers to the size of the potential segment and the growth characteristics of the segment;
2) *Segment structural attractiveness* – this factor shows whether the segment has profit potential. In other words potential entrants into the market and competitors are taken into consideration;
3) *Company objectives and resources* – in other words, even if the first two factors show that the segment has possibility, the organisation needs to consider its own objectives and resources in relation to that segment. Thus for viability, the segment needs to suit the organisation's long range objectives.

Once the organisation has made the decision as to which market/s to target, it will have to design a differentiating, positioning strategy for its products/services within that market. After it has been decided which products/services will be introduced to the specific target market, the strategy will be tailored towards the various stages the offerings go through for example introduction, growth, maturity and decline (Hunter, 1997:108).

The strategy followed will also be affected by whether the organisation will chose to take on the role of market leader, challenger, follower or nicher (Kotler, 1994:97). An interesting case study is that of Life Rosepark Hospital (one of the hospitals within the Eastern region of the Life Healthcare group). They took the role of market leader with marketing gastric bypass surgery, as no other competitor hospitals offered the service; however with their cardiology and cardio-thoracic offerings, they took the role of challenger as one of the competitor hospitals has already been operating a cardio ward for 17 years and they needed to take market share from them.

2.2.3.3 Marketing programmes

After the marketing strategy has been decided upon, it needs to be translated into a marketing programme in order to implement the strategy. In order to do this it is necessary to make decisions with regard to the marketing budget, marketing mix and marketing allocation. After the organisation has decided upon a global amount for the programme, it needs to allocate the total funds to the various tools within the marketing mix (Hunter, 1997:109). Kotler (1994:98) describes the marketing mix as: "The set of marketing tools that the firm uses to pursue its marketing objectives in the target market". These tools are classified as the four p's, namely: product, place, price and promotion (Grönroos, 1996: 322).

2.2.3.4 Organisation, implementation, and control of the marketing effort

The final stage within the marketing process is the implementation and control of the marketing programme as well as organising the marketing resources – it must be possible for the organisation to implement the marketing plan thereby following the set strategy.
Two responsibilities need to be met, namely to coordinate the efforts of all the personnel working within the marketing function and to work closely with other functional departments within the organisation (Hunter, 1997; Kotler, 1994:100). After implementation of the marketing strategy and programme the organisation will need evaluation and control measures to be implemented. There are four types of control measures, namely (Kotler, 1994: 742-766): 1) *Annual plan control* – an important construct is management by objectives, making sure that the organisation achieves the sales, profits and other goals set within the annual plan. Management sets the goals for the entire organisation which gets translated into separate goals for each department; 2) *Profitability control* – during this measure management ascertains where the organisation is gaining or losing money. By doing this management can ascertain whether products/services or any marketing activities needs to be extended, reduced or removed; 3) *Efficiency Control* – the aim with this type of measure is to evaluate and improve the spending efficiency and impact of expenditures for

marketing efforts; 4) *Strategic Control* – with the use of this type of measure, organisations critically reviews their overall marketing goals and effectiveness "as marketing is an area where objectives, policies, strategies, and programmes are quickly outdated, a company should periodically reassess its strategic approach to the marketplace" (Hunter, 1997:112).

2.2.4 Marketing research

As can be seen by the above discussion of marketing elements and process, the marketing function of an organisation increasingly depends on valid information to make sure that they can contribute to organisational effectiveness by making sure that decision makers base decisions on extensive information. Marketing research can be described as "the systematic analysing and interpretation of information with regard to marketing questions through the use of acknowledged scientific methods resultant in providing information which can be used in decision making by marketing management" (Cronje *et al.*, 1993:168) *(direct translation – see footnote [21] for original text)*. Steps within the research process:

	Step	Details	Outcome/importance
1	***Problem description***	Clearly outline the problem that will be under investigation.	The research can be deemed worthless if the problem is not clearly defined.
2	***Problem formulation***	Formulate the possible reasons for the problem outlined.	*Outcome*: hypotheses will be set.
		Desk study (secondary sources)	
3	***Investigation***	Start investigation to eliminate unlikely reasons and find possible solutions to the problem. If the problem can not be resolved with the information found – the study needs to be continued through a primary investigation.	Normally secondary sources are used during this step. It could include information already available i.e. internal organisation records.
		Primary investigation (survey)	
4	***Research design***	Set the survey tool i.e. questionnaire.	Questions should be valid in that it seeks to find answers pertaining to the problem. It normally also contains questions with regard to demographics for classification purposes.
5	***Testing of survey tool***	Test the set questionnaire by asking a small sample to complete it and provide feedback.	*Outcome*: unclear, unnecessary questions and mistakes can be eliminated.
6	***Sample design and size***	Specify the sampling frame and size. A sample can be described as the group of units chosen from the population that will be targeted to obtain the data for the study. Sampling procedures i.e. probability and non-probability sampling could be used in order to make sure that the chosen sample will be representative of the population thereby assisting the achievement of the objectives of the intended study.	It is important that this step is executed properly so that a representative sample is chosen; otherwise it could skew the research result.

[21] *"Bemarkingsnavorsing is die stelselmatige ontleding en interpretasie van inligting oor bemarkingsvraagstukke deur die gebruikmaking van erkende wetenskaplke metodes ten einde inligting te voorsien wat by besluitneming deur die bemarkingsbestuur gebruik kan word."*

7	***Training of field workers*** *(depending on type of study – questionnaires could also be self-administered)*	Field work is an important task. Fieldworkers need to be trained to extract information properly and record accurate information.	Fieldworkers need to be briefed thoroughly with regard to the research study.
8	***Data collection and processing***	After the data has been collected it is analysed statistically.	Processes depend on whether the data collected is qualitative or quantitative in nature.
9	***Analysis of data***	Interpret the information gathered from the analysis of the data.	Interpretation executed in relation to the problem outlined – hypotheses can be refuted or supported.
10	***Writing of research report***	A research report should 'tell the story' of the entire research project. It outlines the method followed and outlines the gathered data in table format.	The research report contains further discussion with regard to the information found and the hypotheses set and whether it was supported or refuted and why. Recommendations with regard to the resolving of the set problem should also be documented.
11	***Decision making (management)***	Management studies the research result and makes decisions accordingly.	Management accepts or rejects the documented recommendations.
12	***Implementation of decisions taken***	Decisions made in the previous step are implemented.	The implementation step should also contain plans for evaluation of the instituted plans to ascertain whether it successfully resolved the problem.
	Evaluation of implemented decisions and formulation of new research		

Figure 2.4: Graphic summary of steps in marketing research
(Own conceptualisation based on theory from Webb, 2003:184-194; Struwig & Stead, 2001; Cronje, Hugo, Neuland & Van Reenen, 1993: 168-170; Kotler & Armstrong, 1991:96-110)

2.2.5 Marketing communication

Varey (1998:181) describes, that in its broadest sense, marketing communication can be incorporated as the process by which: "persuasive information is transmitted; participative decision making is fostered; programmes are coordinated; power is exercised and; commitment and loyalty to each other are encouraged...marketing communication contributes to business profit objectives through creating awareness and changing perceptions". Kotler and Armstrong (1991:422) outlines that an organisation's total marketing communications programme consists of the promotion mix which is made up by using tools such as advertising, sales promotion, public relations and personal selling. Advertising can be outlined as "any paid form of non-personal presentation and promotion of ideas, goods or service by an identified sponsor" (Kotler & Armstrong, 1991:423). Pride and Ferrell (1995:510) outlines promotion as "the communication that takes place with individuals, groups or organisations to directly or indirectly facilitate exchanges by informing and persuading one or more audiences to accept an organisation's products". It therefore supports advertising and increases the power of the sales personnel. Potential customers are addressed directly with special means and targeted methods (Hunter, 1997:114) which consist of short term incentives to encourage purchase or sales of a product or service. In other words, in contrast to advertising which offers reasons to purchase, sales promotion offers a reason to purchase now (Kotler & Armstrong, 1991:457).

In many cases, it is with the element of public relations within the mix of marketing communication which creates the issues between the public relations and marketing scholars. As part of the promotion mix, Kotler and Armstrong (1991:423), view public relations as: "Building good relations with the company's various publics by obtaining favourable publicity, building up a good corporate image and handling or heading off unfavourable rumours, stories and events".

The last part of the communication or promotion mix as outlined above is personal selling. Personal selling can be outlined as the "oral presentation in a conversation with one or more prospective purchases for the purpose of making sales" (Kotler & Armstrong, 1991:423). It is thus in contrast with the other elements of the promotion mix as it focuses on direct communication and feedback and is not impersonal mass communication. The sales force of an organisation therefore establishes communication between the organisation and customers using direct conversation thereby creating direct feedback from the customer (Hunter, 1997:115).

Kotler (1994) as well as Pride and Ferrell (1995) also add direct marketing as a fifth element of marketing communication which is outlined as the use of communication tools of a non-personal nature (i.e. mail orders) in order to solicit response from specific customers and potential prospects.

Marketing communication therefore is aimed at targeting the existing or potential customer in order to encourage sales or exchange for an organisation's products and services in order to create income for the organisation.

2.2.6 Organisation of the marketing function

An organisation's formal structure plays an important role in implementing marketing strategy. The formal structure assists in systemising the organisational outputs into well-defined jobs, assigned to people and departments, allowing efficiency through specialisation (Kotler & Armstrong, 1991:547). There are several ways to organise the marketing function within an organisation. They can be outlined as organisation by: function, products, geographic area, markets, matrix organisation (Pride & Ferrell, 1995:713-715; Kotler & Armstrong, 1991:551-555) and customers (Pride & Ferrell, 1995:715).

Type of organisation method	Core elements of organisation method	Significant factors
Organisation by function	Most common form of marketing organisation. Marketing specialists are in charge of the different functions within the department. These specialists are: marketing administration manager, advertising and sales promotion manager, sales manager, research manager and new products manager, customer service manager, planning and distribution manager.	This type of marketing organisation is simple to administer. However, as the company grows and products and services expand, it could be difficult to instil this type of structure for each product or service. Also the various functional groups could start vying for budget and status which will make it difficult to coordinate marketing activities within this structure.
Organisation by products	When companies have various brands, products or services – this structure is often used. Specialist areas include: product group managers and product/brand managers who are in charge of specific brands. Their job would be to develop and implement a complete strategy and marketing programme for the specific product or brand.	This type of structure only makes sense if the organisation operates a variety of products and brands. Its advantage is that the brand manager coordinates the whole marketing mix for that specific brand and can therefore react quickly to problems, issues and opportunities. Small brands also get attention as they have their own brand manager. However, this approach could be costly. Furthermore, brand managers become experts in their product, but not in specialised functions throughout the organisation.
Organisation by markets	This form of organisation is used when the company offers one product or service to many different markets (i.e. schools, business, and consumer and government markets). It is very similar to product organisation where various market managers are appointed to deal with the specific market. These managers then have to elicit the help from functions like research, advertising, sales etc.	The advantage in this type of organisation is that the function is organised around the needs of specific customers. This also allows market specialists to emerge.
Organisation by geographic area	This approach is normally used if an organisation has a national focus. In other words personnel are distributed across various regions. Portfolios might include: national managers, regional managers, and zone managers.	This type of structure allows staff to get settled in their specific region gaining valuable knowledge about their specific customers, and territory and can work with minimum travel and cost. Efforts are localised, but driven and coordinated nationally.
Matrix organisation (products and markets)	Finding a workable structure could get complicated for companies where they offer a variety of products to a variety of markets. They could use a product management system which will require product experts to become familiar with diverse markets. Or they could use a market management system which will require market experts to become familiar with diverse product knowledge. It is therefore advisable that these types of companies employ product and market managers in a matrix environment where they work together.	The matrix approach ensures that each product and market receives management attention. On the down side it however could become costly and it reduces organisational flexibility.
Organisation by customer	This form of organisation is similar to that of markets. It focuses on several different customers. The needs and requirements of each different customer may be so vast that the organisation employs a key-account manager assigned to deal with one specific group of customers. In other words it breaks the market concept down further into various customer groups.	This approach is only applicable in highly cost-intensive businesses.

Figure 2.5: Graphic summary of methods used to organise the marketing function within the organisational structure

(Own conceptualisation based on Hunter, 1997:118-122; Pride & Ferrell, 1995:713-715; Kotler & Armstrong, 1991:551-555)

2.3 Paradigms

2.3.1 Public relations: relationship paradigm vs. the reflective paradigm

Two paradigms have emerged in the theory of public relations (PR) namely the relationship paradigm (US view) and the reflective paradigm – which incorporates the European view of public relations. It is interesting to note that there is a legitimate place for both these views in practice, but that the reflective paradigm is the approach which takes the practice of public relations further, facilitating the new business paradigm of legitimacy and incorporating society into the organisational mix.

Hutton (1999), who is an exponent of the US view, highlights six models which exist with regard to public relations (PR) practice, they are: persuasion, advocacy, public information, cause-related public relations, image/reputation management and relationship management. He suggests that there are three dimensions which have the elements to define and draw together the many definitions of public relations, namely: interest, initiative and image. '*Interest*' - refers to the focus of the public relations function. In other words, is it more focussed on client interest or public interest? '*Initiative*' - takes a look at whether the public relations function is more pro-active or re-active. '*Image*' - refers to which extent PR is focussed on image or reality. In other words, is the function of PR to only execute actions in order to build the image and reputation of the company or is it focused on dealing with real issues which affect the organisation? However, out of the alternate metaphors which exist with regard to public relations, he notes that, "only one has the power to both define and serve as a paradigm (organizing philosophy or model) for the field: relationship management" (1999:203). Hutton (1999) therefore derives that the purpose of public relations is to manage strategic relationships. He proposes that managing strategic relationships is the best perspective as '*managing*' involves planning, control, feedback and performance and '*strategic*' involves planning, prioritisation, action orientation and focuses on the relationships which will be most relevant to client-organisation goals. Furthermore, '*relationships*' refer to effective communication, mutual adaptation, mutual dependency, shared values, trust and commitment (1999:204). The US view, as supported and outlined by Hutton, therefore suggests that out of the various models that exist with regard to public relations, as mentioned above, relationship management is the dominant role which could incorporate all the other roles. In other words, the role of relationship management, for the US, has become the paradigm or purpose of public relations and the other models are still encompassed into public relations as the various roles it could perform within a given situation. Interesting to note is that Hutton (1999) has also concluded that although communication is still a part of public relations, it should and can no longer be seen as the foundation of public relations. He suggests that education in the field of PR should shift focus and include training in other social sciences such as social psychology.

In Vercic, Van Ruler, Bütschi and Flodin (2001) they describe that the words 'public relations' translated into European languages refers to working with the public, in the public and for the public. It furthermore suggests therefore that public relations, from a European point of view, include the public sphere in that it relates to issues that are publicly relevant. Vercic *et al.* (2001:375) therefore highlight that: "This concern with 'the public sphere' highlights the issue of legitimacy ... as one of the central concepts of public relations in Europe". Furthermore as there is no direct translation for 'public relations' in many European languages, many practitioners have been referring to 'communication management' and 'corporate communication' or using other forms of applied communication (Vercic *et al.*, 2001). Furthermore, as pointed out by Vercic *et al.* (2001), communication can be viewed as a social process which is fundamental to any type of relationship. Therefore, in Europe, the debate whether PR is related to the management of communication and the management of relationships doesn't seem to be relevant at all. Scholars in Europe see communication as a type of behaviour which occurs in – and as part of relationships.

Vercic *et al.* (2001:377), also outlines that according to the European view and research with regard to public relations, they identify four roles or dimensions. They are: '*managerial*' – the development of strategies to maintain relations with public groups in order to gain trust/mutual understanding; '*operational*' – to prepare means of communication for the organisation in order to formulate its communications; '*reflective*' – to analyse standards and values in society and feed that information into the organisation so that it can adjust accordingly, act responsibly and stay legitimate; '*educational*' – helping all members of the organisation to become competent in communication so that they can respond effectively to social demands. It is the view of European practitioners that one cannot respond to the managerial, operational and educational roles without being reflective. Therefore they regard the 'reflective role' as the most dominant role and purpose of public relations in Europe. This European *'reflective role'* is conceptually similar to Steyn's public relations strategist role (Steyn & Bütschi, 2003) within the South African context.

Therefore, by taking a look at the above outline of the relationship and reflective view of public relations, there are three fundamental differences. Firstly, the relationship paradigm disregards communication as the foundation of PR and sees strategic relationships as more important.

The reflective paradigm illustrates that they see communication as behaviour of all relationships therefore the one cannot be picked above the other. For scholars who support the reflective view, the debate between communication and relationships is therefore irrelevant. Secondly, the more pertinent difference between the two views is the fact that in the relationship paradigm, six roles are outlined which they translated into one purpose or role for public relations – the other roles emerging only when the situation dictates it. In the reflective paradigm, four roles have been identified of which one is viewed as the more dominant role, feeding the other roles. Thirdly, in the reflective paradigm, the public sphere and society is acknowledged as an important part of stakeholders to be dealt within public relations practices. In the relationship paradigm, focus seems to be directed at the active publics of the organisation who engage with them.

The reflective role could better serve a modern organisation and can be incorporated into the practice of PR in the Life Healthcare group along with the relationship paradigm. In today's business world good corporate governance has become far more significant than just satisfying shareholders and making sure an organisation is economically stable. Therefore modern organisations have to shift their focus from more traditional approaches of business to a new paradigm where society has become a significant factor. Businesses now focus on the triple bottom line of not only economic, but environmental and social aspects as well. Therefore the reflective role of public relations could be viewed as pertinent to the practice of PR in a modern organisation. The reflective role brings a dimension of the public sphere into the organisational mix. It therefore enables organisations to gain insight into the changing standards and values of society which will help organisations to act responsibly and stay legitimate – therefore helping them to engage in the very essence of good corporate governance. As society has therefore become the regulators of organisations in the new business paradigm of engaging in good corporate governance, the reflective role has become an essential part of business practice. The relationship paradigm, however still has a fundamental role to play within certain levels of the practice of public relations in the organisation – both paradigms should be dealt with within the organisation. The reflective paradigm could be incorporated to inform the strategic leg of PR and the relationship paradigm could be incorporated to inform the managerial and technician leg of PR.

2.3.2 Marketing: exchange paradigm vs. the relationship paradigm

Marketing theory has evolved from a theory based on the idea of exchange and exchange relationships which placed importance on results, experiences and actions in terms of transactions (Sheth & Parvatiyar, 1995:402). This placed more focus on sales supported by advertising and promotion.

Marketing was only considered successful if it resulted in a sale and a height in market share. During this time, the marketing mix, namely product, place, price and promotion were the key focus areas. Therefore the focus evolved from the narrow sense of transaction (a short term goal), not focussing on value-relationships or networks (Grönroos, 1997:328). This view included minimal contact with the customer outside of the marketing mix variables and did not focus on added value to the customer besides the value or technical offering which the actual product or service had (Grönroos, 1997:330).

The realisation that repeat purchases were necessary in order to be successful made it more pertinent to foster brand loyalty thereby bringing relationships to the fore as a key focus area for marketing – evolving from the notions discussed above. The focus shifted from customer acquisition to customer retention – bringing relationships into focus (Sheth, 2002:591). Thus the exchange paradigm is centred on transactions and based on sales whereas the relationship paradigm is based on mutually beneficial relationships. It is concerned with building a life time customer and repeat purchase rather than a once-off instant sale. This also opened the door for market segmentation and targeting certain markets with specific marketing actions and programmes (Sheth & Parvatiyar, 1995).

"Relationship marketing attempts to involve and integrate customers, suppliers and other infrastructural partners into a firm's developmental and marketing activities" (McKenna[22], 1991 in Sheth and Parvatiyar, 1995:399). It suggests close economic, emotional and structural bonds among the involved parties. It emphasises interdependence and cooperation rather than competition and conflict as is the case in the earlier exchange focus of marketing (Sheth & Parvatiyar, 1995:399). Thus, the "development of relationship marketing point to a significant shift in the axioms of marketing: competition and conflict to mutual cooperation, and choice independence to mutual interdependence" (Sheth & Parvatiyar, 1995:399). Morgan and Hunt (1994) support this notion by outlining that the principle of competition is now challenged by the elements of relationship marketing in that it believes that mutual cooperation rather than competition leads to higher value creation. The purpose of relationship marketing is thus to enhance productivity through the creation of efficiency and effectiveness – attempting to involve the necessary stakeholders in early marketing strategy development thereby facilitating the future marketing efforts of the organisation (Sheth & Parvatiyar, 1995).

Sheth and Parvatiyar (1995:397) summarises that in the exchange paradigm marketing focussed on value distribution which indicates a transactional approach. With the shift to the

[22] McKenna, R. 1991. *Relationship Marketing: Successful strategies for the age of the customer*. Addison-Wesley Publishing CO., Reading, MA.

relationship focus, marketing now rather focuses on value creation indicating a relationship between the organisation and its market, thus also bringing direct marketing (business-to-business or business-to-consumer markets) into account again.

This way, organisations and consumers are dealing directly with each other bringing a greater potential for emotional bonding (understanding each other's needs and constraints better) to the fore – thereby transcending pure economic exchange and becoming more relationship orientated which also brings direct accountability of each other's actions (Sheth & Parvatiyar, 1995:398). However, Gummeson (1997:268) still links the notion of 'exchange' with relationship marketing in saying that it "increases customer retention and duration" thereby creating "increased marketing productivity and thus increased profitability, stability and security". This focus from 'value exchanges' to 'value creation relationships' have lead organisations to be more integrative in their approach to marketing where partners are sort to provide value to their customers thereby creating a foundation of strategic partnering relationships through a cooperative and collaborative effort (Gummeson, 1997; Sheth & Parvatiyar, 1995:403). Gummeson (1997:267) adds to this notion by outlining that relationship marketing is "marketing seen as relationships, networks and interaction" where properties such as (1997:269) "trust, honesty, benevolence, reliability, commitment and diligence" are present. Grönroos (1997:327) supports this notion by outlining that in the relationship paradigm, the steps are first to attract the customer and then to build a relationship with them based on trust and promise. This is definitely the case in private hospital's marketing practices where GPs are now sought to become partners in offering quality healthcare to patients. Muffatto and Panizzolo (1995:154-169) highlighted the difference between the key concept in the exchange paradigm which is selling and the key concept in relationship paradigm which is customer satisfaction, when outlining that customer satisfaction is considered to be the most important competitive factors and one of the best indicators for an organisation's future profits. Thus, the shift in thinking from the exchange paradigm to the relationship paradigm came about when marketers started to realise that the focus shouldn't only fall on the creation of new customers but the retention and satisfaction of existing ones. Organisations have often made the mistake of servicing a customer once assuming that they will then be loyal for ever without having to nurture or grow the relationship. Businesses used to spend 80% of their marketing budget going after new customers and clients rather than nurturing, retaining, and maintaining the customers they already have (Lake, 2007).

The two paradigms can therefore be further distinguished in that in the seller's view of marketing (exchange paradigm) the 4 p's prevail within the marketing mix, namely product, place, price and promotion (Grönroos, 1996:323).

The four c's in the relationship paradigm of marketing, namely customer needs and wants, cost to the customer, convenience and communication (Lauterborn[23] in Doyle, 2003:289). Communication can thus be outlined as a fundamental aspect of relationship development – it is the essence of coordinating behaviour in marketing relationships (Andersen, 2001:2).

Thus "the globalization of business and the evolving recognition of the importance of customer retention and market economies and of customer relationship economics...reinforced the change in mainstream marketing" (Grönroos, 1997:322). The exchange paradigm was therefore centred around an economic approach versus the relationship paradigm which is centred on a behavioural approach (Grönroos, 1997:326). Although the ultimate goal of marketing, namely making the exchange or the economic factor, is still there – it is just the approach to obtaining it which has changed. The relationship paradigm has moved marketing from focussing on the creation of single exchanges to focussing on retained exchanges through relationship building with a strong focus on customer satisfaction. As Pels (1999) points out – one shouldn't be arguing if marketing is about exchange or relationships – it is about both.

2.4 Worldviews – symmetrical and asymmetrical communication

According to Grunig and White (in Grunig, 1992) the four models outlined for public relations (in this chapter, p.30) can be aligned in two major world view models of how public relations is practised. They are the one-way asymmetrical and two-way symmetrical models, the latter being the normative (how public relations should be practiced). They view it to be more moral, ethical and effective in practice.

Differences between the one-way asymmetrical and two-way symmetrical models are that practitioners who practice one-way asymmetrical communication are mostly concerned with technique and the application of technique. Their aim is to gain favourable coverage for the organisation. Practitioners who practice two-way symmetrical communication acknowledge and rely on a body of knowledge as well as technique. Their aim is to create mutual understanding and manage conflict between an organisation and stakeholders – building effective relationships. It constitutes a balance of interests among an organisation and its stakeholders (Grunig & White in Grunig, 1992).

However, criticism has been lodged with regard to the symmetrical world view. Some view symmetrical communication as total accommodation of stakeholder interests and that persuasion is sometimes necessary.

[23] Lauterborn, Robert. 1990. New marketing litany: Four P's passe; C-words take over, *Advertising Age, October 1*.

The world view of symmetry was therefore seen as somewhat idealistic. Dozier, Grunig and Grunig (1995) suggested that the two world view models could be combined to incorporate asymmetrical and symmetrical communication.

In this model practitioners therefore can apply both of the models either to persuade the dominant coalition or to persuade the stakeholders in order to create a win-win symmetric solution. This thereby, creates a platform for 'give and take' - informing another worldview for public relations, namely ethics.

"Both corporate communication and marketing continue to undergo ongoing conceptualisation and evolution as management disciplines" (Worral, 2005:11; Lages & Simkin, 2003; Morgan, 1996). "Over the last few decades the worldview of marketing has evolved from a narrow sales function to its integration as part of a market oriented business philosophy (Worral, 2005:11; Morgan, 1996). "In the mid-1950s, marketing had become the keystone philosophy of business, reflected in contemporary management opinion (at the time) that emphasised the purpose of business as creating a satisfied customer" (Worrall, 2005:11).

The most productive relationships are those that benefit both parties in the relationship and can be classified symmetrical. Those that benefit only the organisation can be classified as asymmetrical (Grunig & Hon, 1999).

This situation in marketing theory outlines that "the disillusionment of the production orientation and sales approach powered the evolution of marketing to a more relationship orientation and strategic management function" (Worrall, 2005:12; Morgan, 1996). "The common worldview running through all these evolutionary stages – production orientation, sales and distribution orientation, to customer orientation – is *asymmetrical*, and one-way presupposing that the organisation knows best and that stakeholders and publics benefit from 'co-operating' with it" (Worrall, 2005:12; Andersen, 2001:2; Varey, 1998; Morgan, 1996). Gummeson (1997:269) points out that relationship marketing too can have an asymmetrical approach as organisations see it as "a more potent way that a salesperson can manipulate and outsmart a consumer," creating a monopoly relationship for the organisation.

2.5 Stakeholder management

The focus on stakeholder management and the development of stakeholder theory have come to the fore in the past decade because of the emphasis on "explaining and predicting how an organization functions with respect to the relationships and influences existing in its environment" (Rowley, 1997:887). Each stakeholder group has a different set of expectations relating to an organisation's performance (Polonsky, 1995:29). However, stakeholder importance can vary, as can the specific organisational issues and aspects they are involved with (Polonsky, 1995:33). Therefore, it is important that stakeholders are organised and incorporated into the strategies and plans of an organisation as it can set the organisation's direction and formulate its strategies (Polonsky, 1995:33). By incorporating stakeholders into the management processes of an organisation, they will better understand the organisation's objectives and therefore be less problematic (Polonsky, 1995:41). Jones and Wicks (1999:9) further highlight the importance of stakeholders when outlining that the views and claims of stakeholders have intrinsic worth, which brings a concern for moral processes and outcomes to the fore.

2.5.1 Stakeholder theory

2.5.1.1 Concept

In terms of business, organisations have in the past been focussing on reaching financial goals and therefore deemed the competitive strategy as the best way to conduct business (Wheeler & Sillanpää, 1998). In recent years, it has emerged that businesses should not only focus on the financial bottom line of 'profit', but also on the aspects of 'people' and 'planet' thereby instituting the triple bottom line. Furthermore, the *Institute of Directors* (King Report, 2002:1) also highlighted this new notion of business when, in their report, they took the idea of corporate governance further than just financial and regulatory aspects and advocated: "an integrated approach to good governance in the interests of a wide range of stakeholders having regard for the fundamental principles of good financial, social, ethical and environmental practice". Sir Adrian Cadbury (King Report, 2002:1) describes corporate governance as: "concerned with holding the balance between economic and social goals and between individual and communal goals...the aim is to align as nearly as possible the interests of individuals, corporations and society". Through taking a look at the above, it is clear that stakeholders play an important role in business today.

In contrast to the shareholder view of an organisation where only one group or shareholders are seen as the sole important stakeholder of the organisation and the only group the organisation is accountable to – the stakeholder view takes the entire environment of the organisation into account. According to this view, the environment of the organisation consists of a variety of groups who have a vested interest or stake in the organisation (Steyn & Puth, 2000). In other words, it takes all entities who are affected by or who can affect the organisation into account.

In the stakeholder view it is also pertinent that the stakeholder does not determine the purpose of the organisation. In this view, the purpose of why the organisation is there and what it wants to achieve comes first. The stakeholders, or the groups that will be affected by this purpose in which ever way, is therefore determined by the purpose (Campbell, 1997). Furthermore, Campbell (1997) also outlines that, in the stakeholder view, stakeholders do not know what to expect. It is the task of the organisation to put forward and relate what value they can offer (derived from the purpose of the organisation). It is then the stakeholders' own choice whether they choose to take note of or accept the value communicated and engage in a relationship. Campbell (1997) further outlines that in the stakeholder view, management decides how the profits of the organisation will be shared amongst stakeholders. It does not consider one specific stakeholder group first in profit sharing, but elects to invest in value-generating activity in the hope of continuing to have profit in the future (Campbell, 1997:448). Performance, in this view (stakeholder) is determined by the evaluation of outputs through a balanced score card method. Wheeler and Sillanpää (1998), outline that the stakeholder view focuses on the running of the organisation with the view to create long-term relationships which result in trust. The stakeholder view therefore sees the company as a collective population that comes together to achieve a common purpose.

A stakeholder can be described as any individual or group who has an interest or a stake in the organisation (Steyn & Puth, 2000). In other words, stakeholders can be described as any individual or group, whether they are internal or external to the organisation, which can possibly have an influence on the organisation and its dealings. Vinten, (2000) describes a stakeholder as any group or individual who can affect or is affected by the achievement of the organisation's objectives. Varey (1997), outline that stakeholders are the key groups or individuals on whom the future business of the organisation depends. Varey (1997) furthermore distinguished between stakeholders, who are outlined as passive, and publics as those stakeholders who have become active.

Freeman and Liedtka (1997) explains stakeholder management as the process where the interest of individuals and groups who can have an affect on the organisation or in turn be affected by the organisation, its dealings and decisions, is systematically taken into account. Steyn and Puth (2000) adds to the notion of stakeholder management by saying that it has become vital to understand each stakeholder group in terms of their values, expectations and issues they deem important, as well as their readiness to either apply their resources to support or hamper the organisation in their attempt to fulfil their vision. Cooper (2003) adds to this by saying that essential to the concept of stakeholder management is to consistently create dialogue and communicate with the organisation's stakeholders.

2.5.1.2 Approach

Gathering the type of knowledge outlined above leads to interactivity between the organisation and its stakeholders. This interactivity in turn leads to communication which invariably leads to a relationship between the two parties. Steyn and Puth (2000) further suggest that organisations that have good two-way communication and dialogue with their stakeholders can identify any issues and concerns in early stages allowing for problem solving and effective planning in combating the issue. Cooper (2003), furthermore outlines that creating dialogue with stakeholders will allow for better stakeholder management as the information gathered through dialogue allows the organisation to set objectives and key measurement areas with regard to identified stakeholder groups. Goodijk (2003) supports the fact that management needs to build relationships and create dialogue with stakeholders, but adds that they need to act more transparent, create opportunities for involvement and be accountable to stakeholders. He further suggests that managers need to mobilise the sense of responsibility of all the relevant stakeholders, create the best organisational context for involvement; organise and manage that involvement and participation in order to deal with the constantly shifting balance of stakeholder interests (Goodijk, 2003).

However, if what the stakeholders want does not correspond with the organisation's needs and vision, it could affect the viability of the organisation. Therefore, in stakeholder management, it is imperative that the needs and goals of the organisation and stakeholders must be matched in order to create a lasting relationship and positive returns for the organisation (Steyn & Puth, 2000). Furthermore, managers who have the task of taking a look at stakeholders must "identify and define stakeholder groupings and the strategic issues that affect them; they should understand how to formulate, implement and monitor strategies for dealing with that specific group" (Steyn & Puth, 2000:10).

Employing stakeholder management in an organisation is increasingly important as it creates a mutually beneficial relationship between an organisation and its stakeholders. Furthermore, Campbell (1997: 446-449) outlines that in order to survive the 'economic jungle' organisations should gain the loyalty of all their stakeholders – not only the shareholders. Steyn and Puth (2000) further explain Campbell's view in saying that organisations who take a wide range of their stakeholders into account, are more likely to act responsibly. These organisations can thus successfully create financial and social wealth. Wheeler and Sillanpää (1998) supports this notion by saying that organisations who take their stakeholders into consideration during decision making, will gradually start doing better than those who don't. Further importance is highlighted in Steyn and Puth (2000:12): "Organisations can only be effective and reach their goals if there is shared meaning between them and their stakeholders". Furthermore, they highlight the importance of stakeholder management in saying that organisations must, out of their own will, take their stakeholders into consideration. Not doing so might lead to a solution being imposed on them from outside the organisation by means of regulations and legislation. This will then result in a negative situation for the organisation which will force them into reactive responses. However, if stakeholder relationships are to add value to the organisation – communication with stakeholders must be managed strategically through well-planned strategies and systems (Steyn & Puth, 2000).

As it was outlined above, it is important to highlight that the stakeholder approach therefore isn't just about answering to your stakeholders or publics, but the building of a relationship and partnership with those publics. These partnerships lead to knowledge building. Knowledge – which an organisation can use to gain a competitive advantage and therefore could contribute to organisational effectiveness and the bottom line of financial growth.

Halal (2000:12) said that: "knowledge is a fluid, intangible asset that can be transferred easily, and its value increases when shared...and because knowledge increases when shared, collaborative partnerships between management and stakeholders can be economically productive". Wheeler and Sillanpää (1998:202) also highlight the importance of knowledge sharing when saying that: "business has become so complex, the survival of firms so precarious, and our environment increasingly unpredictable, competitive and dangerous, that firms' continuing existence depends on their day to day mobilization of every ounce of intelligence".

2.5.1.3 Models

A stakeholder can be described as those people who will be affected by the decisions made by an organisation or in turn affect the organisation with their decisions (Steyn & Puth, 2000). Stoner, Freeman and Gilbert (1995:63) define stakeholders as those groups or individuals who are directly or indirectly affected by an organisation's pursuit of its goals.
Two stakeholder types are classified by Stoner *et al.* (1995):

- External stakeholders: groups or individuals in an organisation's external environment that affect the activities of the organisation.
- Internal stakeholders: Groups and individuals such as employees.

Steyn and Puth (2000:65) further distinguish between stakeholders and strategic stakeholders. Strategic stakeholders can be seen as those groups or individuals who are a critical, crucial, essential, important or vital for an organisation in the accomplishment of its mission.

It is crucial for management of an organisation to identify and classify their stakeholders in order to effectively plan, organise, lead and control the operations of the company. In scanning theory and literature with regard to management and the task of identifying stakeholders, various models on how to identify stakeholders were found. Most included informal methods of answering certain questions such as 'Who's behaviour will change when communicating certain messages?' and just simply making a list from personal dealings with individuals and groups engaged within your specific scope of work. Varey (1997) outlines the following factors which could be used to identify target publics for an organisation: geographic factors, demographics, psychographics, their covert power, position, reputation, memberships to professional associations and their role in the decision process.

Five more formal methods were found:

- Outlining direct-action and indirect-action environments within a PEST (Political, Economical, Social and Technology) analysis type structure (Stoner *et al.*, 1995).
- Mitchell, Agle and Wood (1997) use the characteristics of power, legitimacy and urgency as a framework for identifying key stakeholders.
- The stakeholder value chain as outlined by Freeman and Liedtka (1997:292) where the value a stakeholder can bring to the organisation is used to classify stakeholders. Four principles of stakeholder capitalism are used for classification, namely: *actual behaviour* – what behaviour is currently being exhibited which could affect the organisation; *cooperative potential* – how could a stakeholder's behaviour/attitude change to assist the organisation; *competitive threat* – how could a stakeholder's behaviour/attitude change to harm the organisation.
- Making use of stakeholder configurations and associated contractual forms and strategic actions to classify and identify stakeholders. Variable constructs of compatible and incompatible aligned with necessary versus contingent stakeholders are used to evaluate stakeholders (Friedman & Miles, 2002:1-21).
- The analysis of strategic linkages that is critical for an organisation to survive (Esman[24] in Steyn & Puth, 2000:65).

It was established that the PEST analysis outlined by Stoner *et al.* (1995), the framework outlined by Mitchell, *et al.* (1997) and the stakeholder value model by Freeman and Liedtka (1997) can lead to the miss-interpretation and miss-identification of stakeholders as it is based on the multiple perceptions as viewed by management and is therefore a constructed reality and possibly based on subjective decisions rather than an objective reality. This would make it difficult to plan pro-active relationship building plans. Friedman and Miles (2002) classification model also relies on the contractual or possible working relationships between the organisation and stakeholders. However, it was found that Esman's identification method is a far more practical way of identifying all possible stakeholders in order for an organisation to build effective relationships and, ultimately, trust. In Esman's method, the following linkages can be identified:

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[24] Esman, M.J. 1984. In Grunig, J.E. & Hunt, T. *Managing public relations*. Holt, Rinehart & Winston: New York.

- Enabling – linkages with groups that provide authority to the organisation and control its resources.
- Functional – linkages with groups that provide inputs to the organisation and groups who use their outputs.
- Normative – linkages with professional or industry associations.
- Diffused – linkages to groups not part of/involved with the organisation.

2.5.1.4 Project stakeholder management

Karlsen's (2002: 19-24) project stakeholder management concept is incorporated into the theory of stakeholder management as it could present a possible way to make sure that stakeholders are taken into consideration within public relations and marketing efforts in the various activities executed by the individual hospitals within the Eastern region. It offers an effective guideline to structure individual hospital activities. Making sure that stakeholder management is a key driver in both public relations and marketing activities which are driven nationally, but have to be executed locally within regions with their own and unique sets of stakeholders.

Karlsen (2002) outlines that it is important to realise that projects undertaken always encompass stakeholders who could play a major role in affecting the outcome of the project or achieving successful completion of the project. Furthermore, it is important to note that changes in the environment can have an affect on projects. It often happens that projects within individual units are not brought to completion as long-term affects and possible hurdles are not anticipated in advance, which in turn leads to wasting valuable resources, unhappiness and employee divides.

Karlsen (2002) also notes that it is imperative that relationships be developed and trust build in order to gain constructive working relationships. Management of these relationships between the project and stakeholder is an important key to project success. In the process of project stakeholder management an understanding is needed of which stakeholders are important i.e. that some have importance because they control information and resources, while other stakeholders are important because they determine whether the project is a success or not (Karlsen, 2002). Most issues with regard to projects are created by a lack of understanding of the work implemented by the various units within the organisation. It is also imperative that it is realised that stakeholders who are not adequately addressed in the project, can cause unexpected problems. Furthermore, if stakeholders are not adequately attended to, it is possible that a clear outline and achievement of goals are not addressed which could lead to the project leader striving to attain goals which were never intended or not possible to reach (Karlsen, 2002). Karlsen (2002) highlights that it is imperative that interaction should take place with the project's clients throughout the duration of the project and that communication should be ongoing. Further stakeholder actions which could cause uncertainty and problems in a project are poor communication, inadequate resources assigned, changes in the scope of work, unfavourable press coverage and negative community reactions (Karlsen, 2000). The project environment (task and general) also need to be taken into consideration in project stakeholder management in order to describe and ascertain what the influential factors and stakeholders of the project are. Karlsen (2002) also further stresses that causal actions (which are sometimes not discussed within the project team or with appropriate stakeholders) are sometimes taken and should be guarded against as it could cause issues. In addition to planning, organising, motivating, leading and control – Karlsen (2002) suggests further steps be taken to guard against pitfalls and stakeholder issues ensuring the systematic management of stakeholders in the project process. In order to make sure that there isn't a lack of understanding with regard to stakeholder influence the following additional steps outlined by Karlsen (2002) should be incorporated within projects in order to ensure that stakeholders are taken into consideration. They are: *initial planning* – defines the purpose and flow of the project, determines the allocation of time and resources, indicates the cycle of the project and what documentation is necessary; *identification* – outlines and describes the stakeholders who are involved with the project or who could potentially be affected by it; *analysis* – includes the evaluation of stakeholders in the project i.e. are they collaborative or potentially threatening; *communication* – this includes communicating the analysis findings to management and project leaders in order to create an understanding of who the stakeholders are; *action* – this involves developing implementation strategies for dealing with stakeholders making sure that collaboration is based on mutual trust and should be beneficial to all parties concerned; *follow-up* – involves following up the strategies and actions that have been implemented.

Lastly, Karlsen (2002) outlines that in the process of project stakeholder management the development of visions, objectives, tools, methods, procedures, routines, and evaluations are deemed very important. Systematic processes founded on clear objectives and strategies along with the manager's experience, relationships and capabilities are a key factor.

The guidelines by Karlsen (2002) could be used extensively and effectively within an organisation. Implementation of such guidelines and processes could be a practical, seemingly easy, executable solution to bridging the gap in skills lacking within the hospital environment with regard to stakeholder management, thereby creating a better understanding of the hospital's stakeholder environment on all levels of the organisation. Furthermore, implementation of such a process through all units will ensure that stakeholders are taken into consideration in all projects and that decisions made can lead to the achievement of organisational goals, the vision and mission. It could ultimately entrench a better understanding of the hospital environment and stakeholders throughout the entire organisation. Incorporating these guidelines can definitely make a practical, functional and useful contribution to stakeholder management within the organisation.

2.5.1.5 Public relations: contribution to stakeholder management

Communication is needed between an organisation and its stakeholders to better incorporate them into the strategies and plans of the organisation. Corporate communication is in the perfect position and offers the right tools and models to facilitate this communication.

"Effective scanning of the environment is seen as necessary to the successful alignment of competitive strategies with environmental requirements and the achievement of outstanding performance" (Analoui & Karami, 2001:290). This type of scanning leads to monitoring and evaluation of both the external and internal environment which can prove valuable information to the strategists within the organisation. It brings the organisation information about events, trends and most importantly relationships of the organisation's external environment. In other words – knowledge which can assist in the organisation's strategic plans (Analoui & Karami, 2001:291).

Public relations has a role to play in stakeholder management as it can identify the organisations most strategic publics; planning, implementing and evaluating communication programmes to develop and maintain as well as measure the long-term relationships between management and those stakeholders (Grunig & Hon, 1999:9). Varey (1997) adds to this notion by outlining that it is public relation's role to identify key publics and determine the publics' resistance or willingness to change as their relationships with organisations are dynamic and can vary from situation to situation over time. Furthermore, Yang and Grunig (2005:307) outlines that public relations adds value to organisations by being central to stakeholder management through "identifying the strategic publics that develop because of the consequences that organisations and publics have on each other" as well as "by using symmetrical communication to develop and maintain quality relationships with these strategic publics" (Yang & Grunig, 2005:307; Muzi Falconi, 2004:4).

2.5.1.6 Marketing: contribution to stakeholder management

Marketing can actively be involved in integrating stakeholders into the organisational processes as they can determine how effectively the 'needs' or 'expectations' of each group is being met (Polonsky, 1995:34). Once it has been determined if these expectations are being met, they must then adapt and reformulate their marketing strategy accordingly. This will minimise the gap between stakeholders' expectations and organisational performance. By doing this, the organisation will be lead to strategies which reduce the potential for negative stakeholder reactions and increase the probability of positive reactions (Polonsky, 1995:40). Marketing has a role to play in stakeholder management as it focuses on the building of relationships through the creation of customer satisfaction. Yang and Grunig (2005:307) emphasises this point by saying that loyalty has a great influence on relationships with customers – a quality relationship between customers and marketers increase the profits of firms overwhelmingly. Retained customers are more profitable – "companies with loyal and committed customers become market leaders" (Yang & Grunig, 2005:208).

2.6 Relationships

Interactivity with stakeholders implies communication. Communication has a natural outcome, namely relationships (Steyn & Puth, 2000:188). Broom, Casey and Ritchey (1997) defines relationships as patterns of dealings, transaction and exchange as well as links between an organisation and its stakeholders. These relationships with stakeholders can be described as situational and behavioural. Situational, because the relationship changes and situations change and behavioural because the relationship depends on how the various parties within the relationship behave toward each other (Grunig & Hon, 1999:13). Networks and relationships are essentially formed by interaction processes which are affected by their structural properties, namely context and outcome factors (Olkkonen, Tikkanen & Alajoutsijärvi, 2000:403-409). Relationships should therefore be regarded as potentially changing mental behavioural creations of stakeholders (Broom, Casey & Ritchey, 1997:87).
One can distinguish between two types of relationships namely communal relationships and exchange relationships. Communal relationships are seen as those relationships aimed to be created and maintained by the first domain discussed in this chapter, namely public relations. Exchange relationships are seen as those relationships aimed to be created and maintained by the second domain discussed in this chapter, namely marketing.

Exchange relationships can be described as those relationships where one party gives benefit to the other because it has done so in the past and is expected to do so in the future. The one party is thus willing to give benefit as it expects a comparable benefit in return. Therefore the party who receives the benefits incurs a debt or obligation to give something in return. However, in today's society and new business paradigm, publics also expect organisations to be involved with the community as a corporate citizen and support community initiatives (Grunig & Hon, 1999: 20-21).

In communal relationships, parties involved provide benefit to one another as they are concerned for the well being of the other – not getting or expecting anything in return. Building communal relationships have an affect on the organisation's reputation over time thereby creating a platform where they will gain more support from their stakeholders and face less resistance from them. These types of relationships therefore add value to an organisation as they can add value to society and therefore are socially responsible (Grunig & Hon, 1999:21).

2.6.1 Strategies for sustaining relationships

Grunig and Hon (1999:14-17) outline a number of strategies, based on research within the sphere of interpersonal relationships and conflict resolution, which could be applied or focussed on in the effort for an organisation to sustain relationships with their stakeholders. These strategies are either suited to maintaining symmetrical relationships or asymmetrical relationships. Symmetrical relationships benefit the organisation and their stakeholders where as asymmetrical relationships benefit either the organisation or the stakeholders.

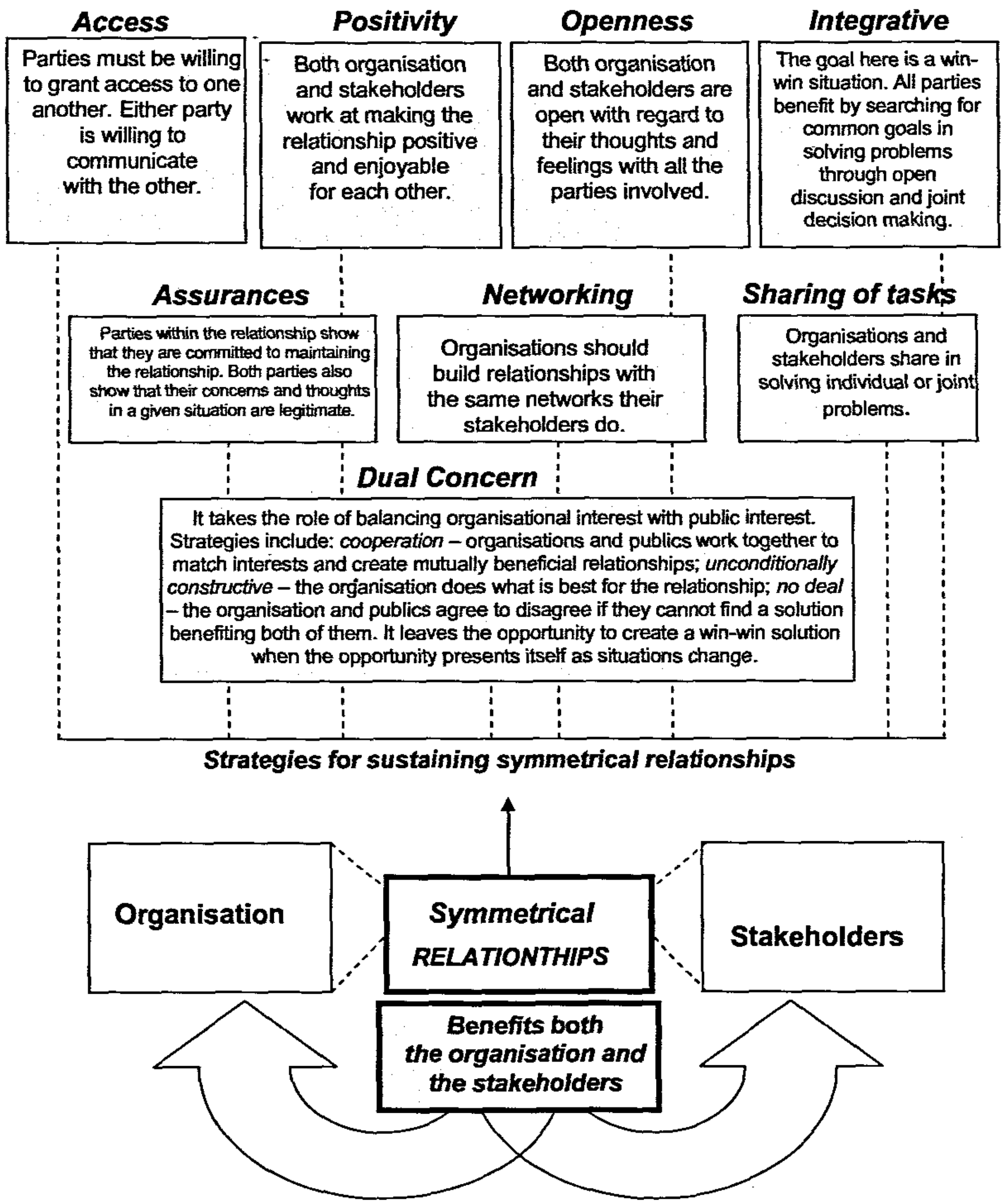

Figure 2.6: Graphic summary of strategies used in sustaining symmetrical relationships
(Own conceptualisation based on Grunig & Hon, 1999:14-17; Lendingham & Bruning, 1998:1-5)

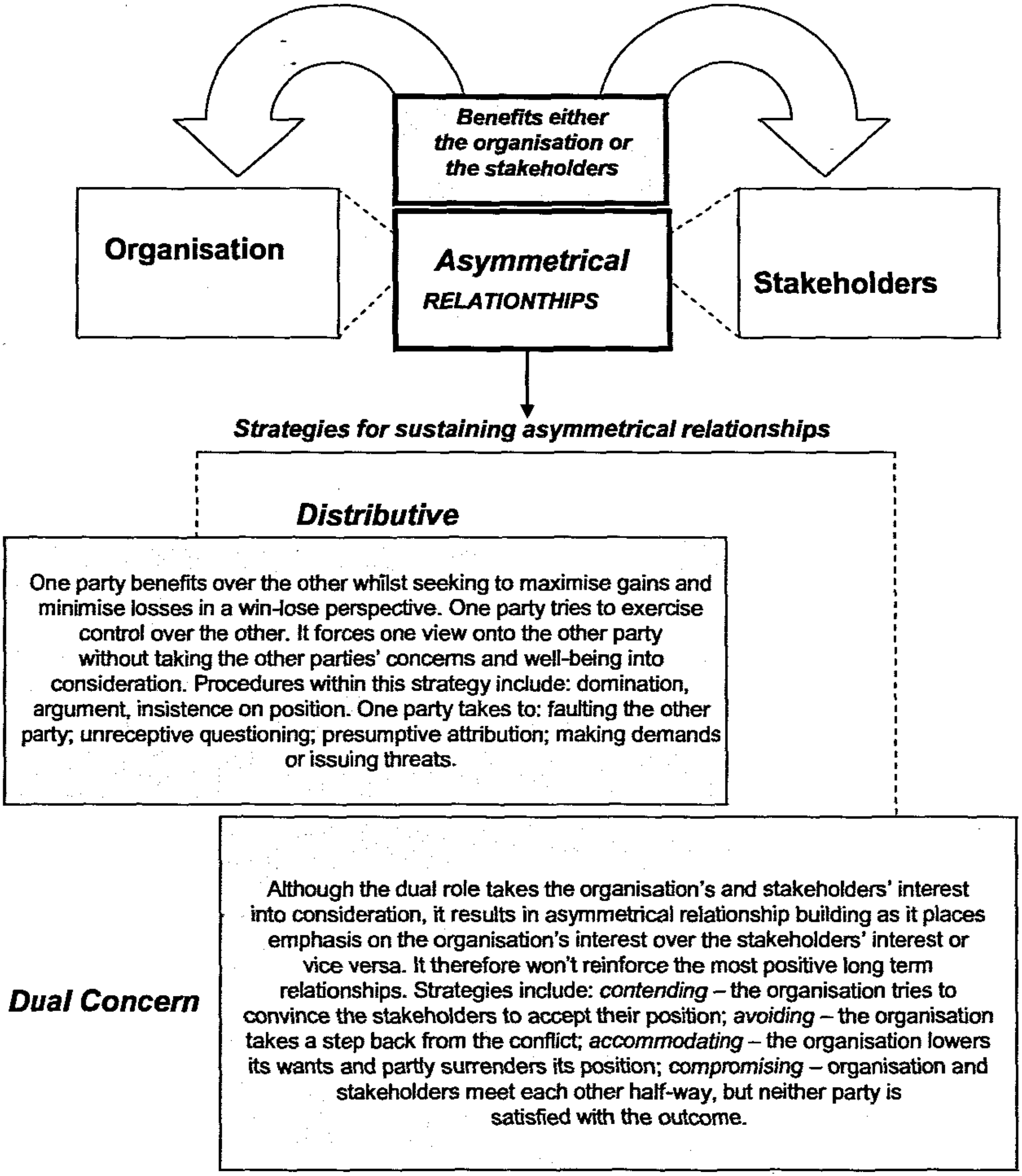

Figure 2.7: Graphic summary of strategies used in sustaining asymmetrical relationships
(Own conceptualisation based on Grunig & Hon, 1999:14-17; Lendingham & Bruning, 1998:1-5)

In maintaining relationships it is also a key strategy to use and recognise the strategic value of previously established relationships. Taking this strategy into consideration is called *stewardship* (Grunig & Hon, 1999:17). Strategies for making use of these valued relationships in maintaining current and new relationships are: *reciprocity* – the organisation displays their gratitude for supportive viewpoints and actions; *responsibility* – the organisation will act socially responsible towards those stakeholders who have supported them in the past; *reporting* – the organisation actively meets legal and ethical requirements of accountability; and *nurturing relationships* – the organisation recognises supporting stakeholders and keep them central to the organisation's awareness of their environment by providing information and involving stakeholders as a key aspect within their work (Grunig & Hon, 1999:17).

Broom, Casey and Ritchey (1997:90-91) outline that there are certain linkages or characteristics that describe relationships. They are:

- *Necessity* – refers to the quality of a relationship which is borne from legal or regulatory requirements.
- *Asymmetry* – scarcity of resources prompts these types of relationships where one party has the potential to exercise power or control over another.
- *Reciprocity* – where benefits are produced from the linkage in other words it fosters cooperation, collaboration and coordination.
- *Efficiency* – a relationship is established in order to improve internal input-output ratios. Relationships are entered in to in order to reduce costs of exchanges that would otherwise occur in the market place.
- *Stability* – uncertainty prompts organisations to establish and manage linkages in order to achieve reliable stable patterns of exchanges.
- *Legitimacy* – relationships are forged as it lends justification to norms, rules, beliefs and expectations of external stakeholders in order to add value.

These characteristics can point to reasons and highlight ways in which relationships can be or why relationships should be sustained with certain stakeholders.

2.6.2 Outcomes of successful relationships

Relationships are normally measured by their outcomes. In other words it is measured by that which it has achieved in creating. However, certain indicators within the process can also be used in order to establish whether work surrounding the sustaining of relationships is on track. There are various indicators such as feedback from stakeholders in the form of suggestions, complaints and frequently asked questions; feedback from management with regard to seeking advice or support with regard to disclosing information to stakeholders and engaging in communication with them; as well as the amount of times management aims at showing stakeholders that their interests are legitimate and how they are working on problems of interest to the stakeholders (Grunig & Hon, 1999:18).

However, the most effective way to measure relationships is by taking a look at the outcome of the relationship. These outcomes are good measurement indicators which can be used to develop an ongoing audit of the organisation-public relationships (Grunig & Hon, 1999:18).

The following outcomes are good indicators of successful relationships (Grunig & Hon, 1999:18-22; Lendingham & Bruning, 1998:1-5):

- *Control mutuality*: It is evident that within relationships one party has a degree of control over the other party. In a successful relationship there is an understanding between the parties as to who will have what form of power. In other words there should be agreement as to who has the rightful power to influence one another.
- *Trust*: Refers to the confidence the parties have in one another and therefore their willingness to be open with the other party. The underlying concepts are: integrity – the stakeholders' belief that the organisation is fair and just; dependability – the belief that the organisation will act and do as it says it will; and competence – the belief that the organisation is in fact able and has the proficiency and required expertise to do and deliver what it says it will. The value of a trustworthy reputation is irreplaceable.
- *Satisfaction*: Parties within the relationship must act favourably towards one another because positive expectations with regard to the relationship are established and reinforced. In this type of relationship outcome, the parties involved feel that the benefits to the relationship far outweigh the costs.
- *Commitment*: This is achieved when the organisation and stakeholders involved feel bound towards one another thereby showing that they think it is worth taking the time to maintain and promote the relationship. There are two aspects to commitment, namely continuance commitment (a certain line of action) and affective commitment (an emotional orientation).

It is important to note that in a successful stakeholder relationship there needs to be a positive correlation between the strength of the alliance and the strategic importance of the stakeholder (Harrison & St. John, 1996:58).

2.7 The impact of the dominant coalition

Research has showed that the dominant coalition and especially the CEO's strategic awareness is an important key factor in the organisation's ability to achieve success. Their perception of benefits which arise from corporate communication research such as environmental scanning is a significant determinant for the success and survival of the organisation in the long run (Analoui & Karami, 2001:302). In the case of public relations the dominant coalition need to see the function not only for the skills it brings to address specific problems, but for the ability the function has to operate as broad based advisers on macro issues (Chase, 1999). Grunig and Hon (1997) also highlights that where the dominant coalition has assigned a high value to the contribution of the public relations department, it has been classified as excellent.

Analoui and Karami (2001:303) outline the importance of the impact the awareness and support of the dominant coalition can have on public relations (focussing on the environment) and marketing (focussing on markets) when saying that:

> ...it is contended that CEO's ought to be assisted (trained) to develop a wider awareness of the importance of the *environment* and *market* in which their firms operate, thus providing the necessary flexibility within their strategic organisational decision-making processes so that changes in the environment can be responded to promptly and proactively...organisations' strategies are only as good as their strategists.

Varey and White (2000:6) brings forth that stronger, direct linkages need to be forged between those who are charged to communicate and those who are charged with enabling and facilitating the said interactions. Therefore managers need to recognise corporate communication as central to the work of the enterprising community. Managers need to realise that organisations are both social and business institutions in order to stay ahead of change and operate optimally (Varey & White, 2000:6). Managers need to invest a great deal into building and maintaining good relationships with their stakeholders if they want to build a reputation that is positive, enduring and resilient (Yang & Grunig, 2005:307). Management of organisations need to develop the organisation's capacity for strategic stakeholder management rather than only concentrating on specific stakeholders and their issues. Developing relationships need to be pulled into the management processes and be seen as an on-going strategic management process with established goals (Savage, Nix, Whitehead & Blair, 1991:72).

2.8 Contribution to organisational effectiveness

Grunig and Grunig (1998:144) state that organisations are effective when they attain their goals – however these goals must be appropriate for the organisation's stakeholders within the internal and external environment. Lindeborg (1994:6) outlines that excellent communication, which contributes to organisational effectiveness, will be achieved easier when the importance of the following three factors is realised: support of the dominant coalition and a supportive corporate environment; the knowledge and behaviour of the top communicator; and a participative corporate culture. Furthermore, research showed that in order to be excellent, organisational communication must include symmetrical communication. "Effective communication helps an organisation create an environment in which it can work well with influential stakeholders and achieve its goals. Good communication builds relationships with strategic publics, thus helping an organization manage its interdependencies with these publics" (Lindeborg, 1994:6).

"Environmental scanning is a key factor to sustained competitive advantage of the firm and it is becoming increasingly important in...theory and practice" (Analoui & Karami, 2001:290). External changes need to be tracked and interpreted if an organisation wants to stay ahead and operate effectively. Freeman and Liedtka (1997:295) support this notion by saying that: "Focusing on value creation in a world of enmeshed relationships is today's key to effective management".

Literature shows that effective organisations choose goals that are valued by both management and their strategic internal and external stakeholders. By doing this, they lessen the efforts of publics to interfere with organisational decisions and take full advantage of support from publics. Effective organisations choose and achieve suitable goals because they focus on developing relationships with their stakeholders (Grunig & Hon, 1999:8) – thereby bringing the importance of stakeholder management to the fore. Public relations is therefore in a position to contribute to the effectiveness of the organisation as it can contribute to the strategic management process of identifying strategic publics and maintaining effective long-term relationships with them. It is thus imperative that the dominant coalition understand how public relations can contribute to their strategic thinking rather than just their image and reputation (Chase, 1999:16). Marketing, in turn, contributes to organisational effectiveness through a coordinated set of activities that allows the organisation to achieve its goals – with customer satisfaction as the major objective.

Thus in order for an organisation to be effective, it needs to be in touch with its various publics (public relations focus), determine what their needs and wants are (marketing focus) and how they can best be achieved by all working together toward common goals (synthesis in functions). This is a key factor in building trust and relationships (stakeholder management focus) so that goals can be accomplished (Grunig & Grunig, 1998). It is important to realise that "relationships lead to favourable representations of an organisation and positive evaluations of performance of the organisation" (Yang & Grunig, 2005:305) "cultivating quality relationship outcomes with strategic publics enables organisations to reduce costs and to elevate organisational autonomy in goal attainment" (Yang & Grunig, 2005:306). Thus, stakeholder management is a key issue in creating organisational effectiveness, but to be used successfully it must be connected to the central themes in business strategy (Freeman & Liedtka, 1997). An obvious place to link stakeholder management into business strategy is public relations and marketing.

2.9 Conclusion

Unity is needed for attempting to achieve marketing purposes successfully – an integrated effort from the total organisation is needed (Morgan, 1996:21). Communication is seen as the mediating variable for the development of partnership success, for establishing trust and for mediating a relationship atmosphere (Andersen, 2001). It is therefore very important that, "organisations have to attempt to develop policies that balance their needs and the needs of their stakeholders" (Polonsky, 1995:33).

Marketing is in the perfect position to ascertain the needs of the stakeholders; however constant dialogical communication is needed in order to make it easier to ascertain needs, which of course place public relations in the perfect position. If marketing needs to attract and retain customers through determining their needs, wants and desires – it is important that continual monitoring of stakeholders take place. As Grönroos (1997:324) outlines – the fundamental point of marketing is adaptability, flexibility and responsiveness. Corporate communication in its strategic role with research such as environmental scanning and social auditing can obtain the necessary information needed (Grunig & Grunig, 1998). As Varey (1998:180) says: "Public relations can advise marketing strategy and methods by providing intelligence on important issues that impact on the business". Public relations through environmental scanning and its strategic role are in the position to lead change and not just react to it (Chase, 1999). Kotler (2004:9) also outlines the strategic importance of synthesis by saying that: "Only by constantly working in concert with departments...can marketing effectively promote the company's mission and products and identify opportunities that can expand brand awareness and ultimately, profitability". The internal interface between marketing and other functions is thus of strategic importance to success (Grönroos, 1997:331).

An organisation can only be effective if they can adapt and change to suit the stakeholders and environment in which it thrives. This 'adaption' cannot be achieved without continual stakeholder monitoring (Polonsky, 1995:39). It is important to note that "direct communication between the firm and its stakeholders will enable the firm to socialize stakeholders into the organisation more effectively" (Polonsky, 1995:40). The environment is a key factor in strategic management, as managers use the interaction with their environments to define their mission and make fairly substantial decisions.

Thus public relations and marketing can be synthesised through distinguishing their purpose and thus target audiences and messages. Whilst marketing is primarily connected to product/service promotion and brand image in order to create repeat exchanges through relationships; public relations is broader and more strategic as it is concerned with the corporate image and reputation of an organisation and how the environment and stakeholders influence it (Varey, 1998:180). As outlined previously – publics are not the same as markets and need to be treated differently thus giving public relations and marketing a distinct role (Varey, 1997). Ehling *et al.* (1992:378) also indicates how public relations and marketing can work together through synthesis by saying that: "public relations is primarily seen as a communication tool for influencing attitudes, whereas marketing aims to elicit specific behaviours and includes not only communication but needs assessment, product development, price setting and the creation of distribution channels". Chase (1999:17) suggests that public relations is the best equipped to bring together resources of the social and behavioural sciences – applied to a profit-orientated business structure.

Public relations is the key to creating and maintaining communal relationships whereas marketing is key in creating and maintaining exchange relationships. It is important to note that these two types of relationships work together as relationships often begin as exchange relationships where trust, control mutuality, commitment and satisfaction are established. Through the work of the public relations domain, these relationships can then be developed into long term communal relationships where the level of the mentioned indicators become even more entrenched and remain stable over time. In other situations, the organisation will need to rely on long term communal relationships in order to create an exchange (Grunig & Hon, 1999:21-22). If the dominant coalition of organisations want to operate strategy effectively in order to control their environment and reduce uncertainty they need to realise that strategy "is the art of bringing values and resources together to influence and shape the future" (Varey & White, 2000). Marketing (advocating business enterprise) and public relations (advocating the role of business in society) must work together in tandem in order to form a well-rounded negotiation strategy. It will provide a balance between innovation and stability and leadership and management in a stakeholder community (Varey & White, 2000:10).

The nature of the public relations and marketing functions as outlined above put both of these functions in the spotlight with regard to stakeholder management as it is important that an organisation must truly understand the implications of its actions in relation to stakeholders if it is to be effective. It is imperative that stakeholders' expectations and organisational behaviour overlap. In closing – it is just as important to note that public relations and marketing can only operate properly if the dominant coalition of an organisation sees it as equal partners in the strategic management function (Grunig & Grunig, 1998).

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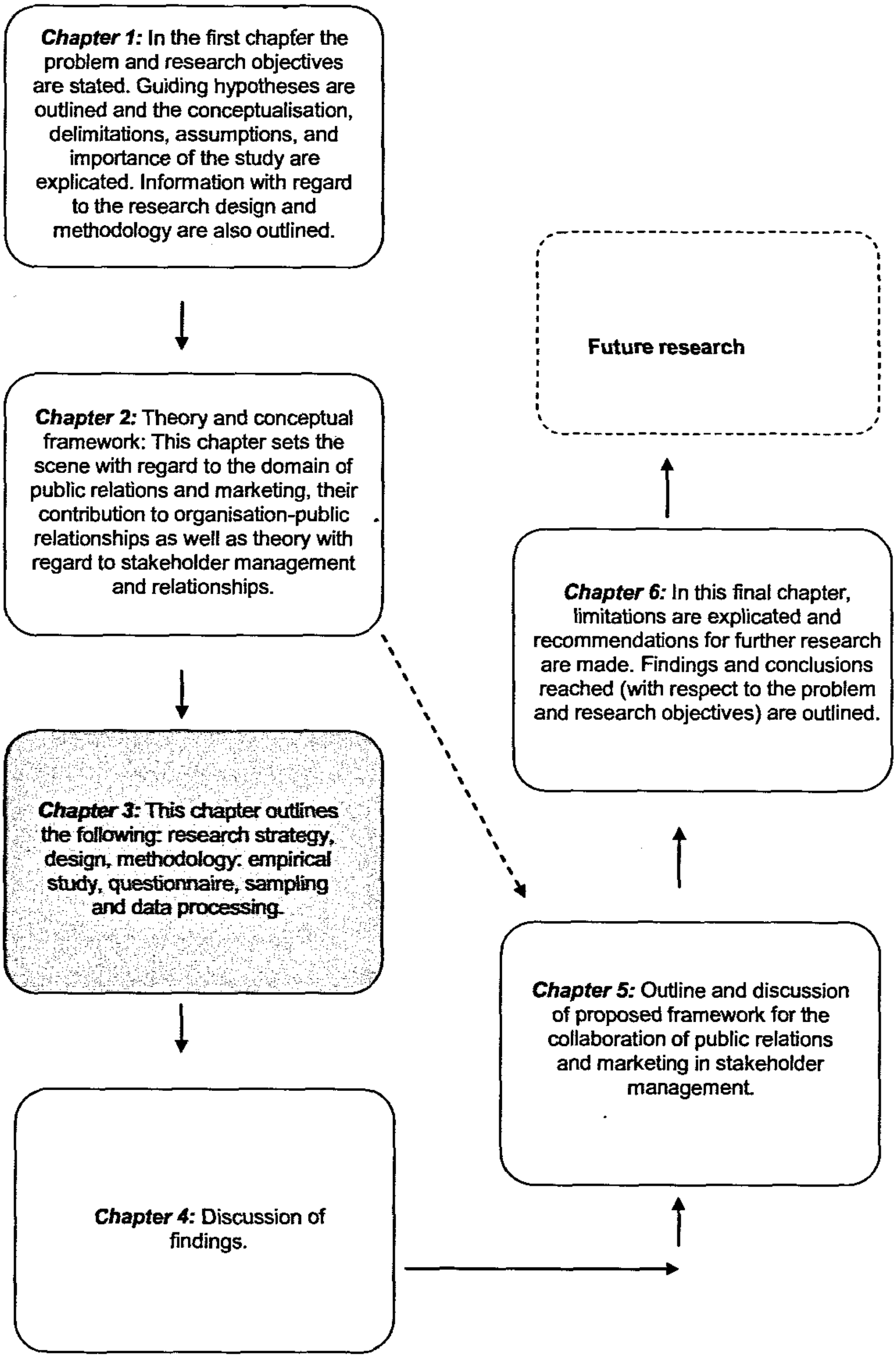

Figure 3.1: Outline of research report

CHAPTER THREE
RESEARCH STRATEGY, DESIGN AND METHODOLOGY

3 Research design

Phase one: Research objective 1

To, through theory, explore the boundaries of the public relations and marketing function and their contribution to stakeholder management and relationships.

Secondary sources to be utilised include documentation from Life Healthcare, namely the job descriptions for the various marketing and public relations functions as well as theory and previous studies (Worrall, 2005; Grunig & Hon, 1999; Grunig & Grunig, 1998) with regard to public relations; marketing and stakeholder relationships. Articles and literature incorporating theory on public relations, marketing and stakeholder management will also be included. These sources will be utilised to suppôrt the exploratory part of the study in order to further assist with clarifying concepts and constructs in order to conceptualise a framework (for the collaboration of public relations and marketing in stakeholder management) which can be tested in further studies.

Phase two: Research objective 1

To evaluate the existing relationship between the public relations and marketing function within Life Healthcare hospitals as well as their contribution to creating effective relationships.

Phase two: Research objective 2

To isolate, through theory and the research undertaken, which aspects and functions of the public relations and marketing field will be most suitable for achieving excellent stakeholder relationships in order to develop a framework for the strategic collaboration of these two functions in stakeholder management so that both can effectively contribute to the hospitals' strategic relationship building process in their own right as is necessary in excellent organisations.

According to Steyn and Puth (2000:157), most studies can be classified by their general purpose or objective. Three general categories can be distinguished: description – identifies basic facts, patterns of relationships and trends and attempts to answer the questions who, what, where, when and how; explanation – they attempt to explain the phenomenon observed in a study and answer the question 'why?'; prediction – this type of study aims to predict the when, how or in which circumstances an event/issue will occur.

Neuman (2000:510,[25] in Struwig and Stead, 2001:7) adds exploratory research which can be defined as "research into an area that has not been studied and in which a researcher wants to develop initial ideas and a more focussed research question".

This quantitative study would firstly be *descriptive* as it will attempt to outline and describe the current patterns of the relationship between the public relations and marketing function as well as their contribution to creating effective relationships within Life Healthcare hospitals and their environment. This will identify the basic facts about the current situation in the said departments with regard to public relations, marketing and stakeholder relationships.

Secondly, it can be outlined as an *exploratory* study as it has the aim of clarifying concepts and constructs in order to conceptualise a framework (for the collaboration of public relations and marketing in stakeholder management) which can be tested in further studies.

3.1 Research methodology

3.1.1 Population

The following terms are used to give a description of and define the population targeted in the specific study, they are: elements, units, extent and time (Struwig & Stead, 2001). The population of the intended study therefore consists of:

i. *Elements*: persons working within/managers of public relations and marketing departments
ii. *Units*: all personnel working within the public relations and marketing functions in the Life Healthcare group of hospitals Eastern region
iii. *Extent*: the marketing and public relations personnel (including hospital managers and line managers) of all Life Healthcare hospitals within the Eastern region of the Life Healthcare group
iv. *Time*: personnel having been employed within the said unit/post for more than six months

The population can furthermore be described as consisting of definite strata, each of which is distinctly different. However the units within each of the stratum are as homogeneous as possible. In other words, the population consists of four levels namely a) hospital managers b) line managers, c) public relations officers and d) marketing officers (strata). Therefore, the population of the intended study is not one homogeneous mass; it consists of different layers, consisting of different types of individual units (Leedy, 1993).

[25] Neuman, W.L. 2000. *Social research methods*. 4^{th} ed. Boston, MA: Allyn & Bacon.

3.1.2 Sample

The sampling frame (where the elements of the population are specified) to be used for the intended study:

The employee register/corporate structure of each individual Life Healthcare hospital specified within the population

The sampling unit of the intended study:

Hospital managers; public relations and marketing personnel: Life Healthcare group – Eastern region

Intended sampling size:

All hospital managers, line managers of PR/marketing units, public relations officers and marketing officers of all 13 Life Healthcare hospitals situated within the Eastern region of the Life Healthcare group who have been in their said posts for more than six months will be included. This results into a maximum of two respondents per hospital and therefore a possible sample size of 52.

The objectives of the research as well as the basic characteristics of the population have been used in the consideration of the sampling size. It is necessary to include as many sampling units (a large sample) as possible as the characteristics of the sample consist of four strata and therefore display considerable differences. The objectives of the study also indicate that all the strata within the sample should be included. The independent variables of the study also indicate that many differences are apparent within the sample and therefore, in order for the study to be accurate – the entire possible sample is needed. Furthermore, as the study intends to conclude with the outline of a framework for the collaboration of public relations and marketing in stakeholder management which can be generalised to all Life Healthcare regions, accuracy is needed.

3.1.3 Sampling procedure

Probability sampling, namely stratified sampling, will be used in order to make sure that the chosen sample will be representative of the population thereby assisting the achievement of the objectives of the intended study. In other words, the strata apparent in the sample as indicated above and informed by the objectives of the study will be incorporated into the sample. The advantages of using this method are that it assures representation of all groups in the sample. It also allows for the comparison of characteristics of each stratum (Struwig & Stead, 2001). The fact that this type of sampling method requires accurate information on proportion in each of the strata's could be a disadvantage. However, in this instance stratified lists are already available in the form of job descriptions and corporate structure.

3.2 Method of data collection

3.2.1 Questionnaire design

The questionnaire has been informed by two separate previous studies with regard to the public relations and marketing contribution in an organisation[26] and the measuring of relationships[27]. The findings of Worrall's study (2005) which outlined where public relations and marketing contributes to the strategic level of the organisation indicated which constructs can be viewed as public relation's contribution and which can be viewed as marketing's contribution (Worrall, 2005:34-35). These different constructs attributed to public relations and marketing comprises Section B of the research questionnaire. The original questionnaire (Worrall, 2005) used 35 items to measure the contribution of public relations and marketing. In this research study two items were eliminated (one pertaining to public relation's contribution and one pertaining to marketing's contribution) as it had no bearing on the scope of work within Life Healthcare hospitals. Section C of the questionnaire is based on research with regard to measuring relationships (Grunig & Hon, 1999). There are 26 items within this section of the questionnaire. The original questionnaire does have options to extend the number of items, but found that using 26 items are still reliable and far more time efficient in completing (Grunig & Hon, 1999:27). The questionnaire outlines constructs which indicate the elements of a successful relationship, they are: trust, control mutuality, commitment, satisfaction, communal and exchange relationships (Grunig & Hon, 1999:18-20).

Furthermore, two questionnaires with essentially the same information, but phrased differently are used in order to reach the secondary objectives of the study (as outlined on p.8). In the first questionnaire all the constructs are directed at members of the dominant coalition of the hospital (hospital managers/line managers of the public relations/marketing function); in the second questionnaire it is directed at the incumbents of the public relations and marketing posts. These sets of questions are in essence the same, but have been phrased differently as the first questionnaire focuses on outlining the dominant coalition's outlook in terms of what they would like the incumbents in the public relations and marketing posts to achieve; versus the second questionnaire which focuses on assessing which of those constructs they are in fact implementing/achieving/incorporating in their day to day function. The second questionnaire is therefore directed at the incumbents themselves.

[26] "*The contribution of the corporate communication and marketing functions to strategy formulation: a case study within a financial services institution*" (Worrall, 2005).
[27] "*Guidelines for measuring relationships in Public Relations*" (Grunig & Hon, 1999).

Section A of the questionnaire comprises background information with regard to the incumbents' level of skill versus the level of skill the dominant coalition would like incumbents to have (as outlined in the first questionnaire aimed at hospital managers and line managers in the various Life hospitals being studied).

Two pilot questionnaires (one for the hospital manager and one for an incumbent) were given to two respondents in one of the hospitals within the region to be studied in order to test the questionnaire in terms of easy completion, whether questions/terminology were easy to understand as well as whether instructions were clear. This resulted in minor editing and re-phrasing of the instructions and one of the questions posed.

3.2.2 Measurement indices indicating public relations, marketing and relationship constructs

Table 3.1: Measurement indices indicating public relations constructs

Item nr on questionnaire (Section B)	Item
2	I do an overall communication channel analysis as a form of stock taking on the communication channels (to be) used to communicate to stakeholders.
3	I identify issues that pose a risk to Life Healthcare hospitals' reputation.
4	I identify Life Healthcare hospitals' strategic stakeholders for the purpose of developing marketing communication strategy.
5	I do research to determine stakeholder attitudes towards Life Healthcare hospitals before conducting corporate communication programmes.
6	I develop corporate communication strategy in support of Life Healthcare hospitals' top level strategies.
8	I establish key short-term objectives to achieve corporate communication goals that were set.
9	I analyse Life Healthcare hospitals' environment in order to gain insight that is useful to senior management in strategic decision making.
10	I work together with other functions in support of Life Healthcare hospitals' top level strategies.
11	I decide on the specific channels to be used to transmit messages to stakeholders such as Life Healthcare hospitals' doctors and referring General Practitioners.
12	I build relationships with resident doctors/referring General Practitioners.
13	I assist senior management to formulate Life Healthcare hospitals' social responsibilities.
16	I facilitate the cross-functional process of reputation risk management.
18	I develop implementation strategies to achieve corporate communication goals.
19	I act as an advocate for key stakeholders by explaining their views to management.
20	I provide focus/direction to the group communication function by developing a framework for communication plans.
22	I develop communication policy for Life Healthcare hospitals i.e. decide who is allowed to communicate what to whom.
27	I develop themes to be communicated to Life Healthcare hospitals' stakeholders.

(Worrall, 2005:34-35)

Table 3.2: Measurement indices indicating marketing constructs

Item nr on questionnaire (Section B)	Item
1	I make an input in decisions that result in improving Life Healthcare hospitals' financial performance.
7	I provide a customer perspective for purposes of strategy formulation within Life Healthcare hospitals.
14	I assist in the development of strategic perspectives for business unit(s) (i.e. different medical units such as trauma, cardiac etc.) within the hospital environment to direct its future course.
15	I contribute to decision making to produce a sustainable competitive advantage for Life Healthcare hospitals' divisions.
17	I contribute to decision making on diversification/strategic alliances/joint ventures for Life Healthcare hospitals.
21	I make a contribution in formulating the brand essence.
23	I do research to determine customer attitudes towards Life Healthcare hospitals before conducting marketing communication programmes.
24	I develop implementation strategies to achieve marketing goals.
25	I decide on the marketing communication mix to be used to transmit core product messages to customers.
26	I provide focus/direction to the group marketing function by developing a framework for marketing plans.
28	I establish key short-term objectives to achieve marketing goals that were set.
29	I develop marketing strategy for a specific product/segment.
30	I am involved in defining the approach of an individual business unit(s) in competing in a chosen market/industry segment.
31	I act as an 'early warning system' to top management before market trends erode Life Healthcare hospitals' competitive advantage.
32	I assist in deciding on the proper positioning of certain products (i.e. cardiac, joint replacements, maternity/Little Life offerings etc.)
33	I build relationships with stakeholders in the value chain such as specialists and referring General Practitioners.
27	I develop themes to be communicated to Life Healthcare hospitals' stakeholders.

(Worrall, 2005: 34-35)

Table 3.3: Measurement indices indicating relationship constructs

Relationship indicator	Item nr on questionnaire (Section C)	Item
Trust	1	To treat stakeholders fairly and justly.
	2	To be concerned about the affect the organisation's decisions has on stakeholders.
	3	To show that this organisation can be relied on to keep its promises.
	4	To show that this organisation takes the opinions of stakeholders into account when making decisions.
	5	To show the organisation's skills.
	6	To show that the organisation has the ability to accomplish what it says it will do.
Control mutuality	7	To ensure that the organisation and stakeholders are attentive to what each other say.
	8	To show that this organisation believes that the opinions of stakeholders are legitimate.
	9	To throw the organisation's weight around in dealing with stakeholders.
	10	To make sure the organisation really listens to what stakeholders have to say.
Commitment	11	To convey the feeling that the organisation is trying to maintain a long-term commitment to stakeholders.
	12	To show that the organisation wants to maintain a relationship with stakeholders.
	13	To show that there is a long-lasting bond between the organisation and stakeholders.
	14	To show that the organisation, values their relationship with stakeholders.
Satisfaction	15	To assist in making sure that stakeholders are happy with the organisation.
	16	To assist in making sure that both the organisation and stakeholders benefit from the relationship.
	17	To assist in making sure that most stakeholders are happy in their interactions with the organisation.
	18	To generally make sure that stakeholders are pleased with the relationship the organisation has established with stakeholders.
Communal relationship	19	This organisation does not especially enjoy giving others aid.
	20	This organisation is very concerned about the welfare of stakeholders.
	21	This organisation takes advantage of people who are vulnerable.
	22	I think that this organisation succeeds by stepping on other people.
Exchange relationship	23	Whenever this organisation gives or offers something to stakeholders, it generally expects something in return.
	24	Even though stakeholders have had a relationship with this organisation for a long time, it still expects something in return whenever it offers them a favour.
	25	This organisation will compromise with stakeholders when it knows that it will gain something.
	26	This organisation takes care of people who are likely to reward the organisation.

(Grunig & Hon, 1999:28-39)

3.3 Scoring of questions

In order to minimise respondents' fatigue and allow for easy analysis and interpretation, a structured questionnaire format comprising of statements and a Likert-type answer scale are used. Questions are scored and coded according to specific categories informed by the objectives and variables of the study. Each response has been reviewed and coded according to the category in which it falls. Inferential, parametric statistics are used to illustrate the relationship between the categories outlined in the scoring of the questions as well as between the dependant and independent variables of the study.

All the results are analysed by a statistical package used for study in the social sciences. Multivariate tabulation will be used to organise and summarise the findings according to the objectives of the study.

3.4 Reliability and validity of the instrument used

In order to determine whether an acceptable reliability coefficient exists, the instrument chosen (questionnaires) needs to be analysed to ascertain whether test scores are accurate, consistent or stable. As existing questionnaires from previous similar studies[28] were used, the reliability coefficient had already been established. The questionnaire describing the functions executed by public relations and marketing (Worrall, 2005) which comprises section B of this study's questionnaire already had a Cronbach Alpha conducted on the whole item set to test the reliability of the questionnaire. It was found to be reliable with an Alpha coefficient for all variables of 0.96. The questionnaire describing relationships with stakeholders (Grunig & Hon, 1999) comprising section C of this study's questionnaire had a Cronbach Alpha of 0.80. The reliability of both these questionnaires was therefore quite high.

3.5 Rational for the use of the selected instruments

Secondary sources are chosen as it gives the researcher a good background and understanding of the structure and job functions of the various public relations and marketing positions within the hospital as well as a sound base of previous research studies and theory on which to build the intended study. Survey research is used to inform the quantitative part of this study. Survey research is common in studies of health services (Kelley, Clark, Brown & Sitzia, 2003:261). Data is collected in a standardised form making it easy to summarise the data so that it is easily understood (Kelley *et al.*, 2003:265) and provides a snapshot of the situation studied at a particular period of time aimed at gathering information with regard to certain phenomena (Kelley *et al.*, 2003:261).

As there are so many constructs and concepts that need to be researched, the self-administered structured questionnaire will be used. This quantitative method has been used in this study as it is designed to ensure objectivity, generalisability and reliability and deliver quantifiable, reliable data that can be generalised to some type of larger population (Weinreich, 1996:1). Using existing questionnaires is not often contemplated by researchers and students, despite being perfectly feasible (Hyman, Lamb & Bulmer, 2006:1).

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[28] "*The contribution of the corporate communication and marketing functions to strategy formulation: a case study within a financial services institution*" (Worrall, 2005) & "*Guidelines for measuring relationships in Public Relations*" (Grunig & Hon, 1999).

However, using pre-existing questionnaires is advantageous as they will have been extensively tested at the time of first use and therefore can contribute greatly to the stability of the study (Hyman, Lamb & Bulmer, 2006:1).

Questionnaires have been e-mailed, to overcome the issues of time and space. Using this method for data collection is advantageous as it produces data based on real-world observations (within the industry studied) and it can produce a large amount of data in a short period of time (Kelley *et al.*, 2003:262).

3.6 Data analysis

In order to ascertain which statistical method is appropriate it is necessary to determine the level of measurement as well as the number of variables to analyse. In this study, more than two variables were to be analysed at the same time; therefore it could be described as multivariate. Variables to be analysed are continuous. Therefore, in order to determine the relationship between the dependent variable and the independent variables - inferential, parametric statistics are used. As the relationship between multiple independent variables and one dependent variable are to be tested, multiple regression techniques are incorporated. These techniques are used to determine the extent to which the independent variables influence the dependent variable of the research study. This strength of association between the said variables is measured by the square of the multiple correlations between the independent variables and the dependent variable. The regression technique to be used will be determined by the order in which the variables are entered into the equation (Struwig & Stead, 2001:156-161).

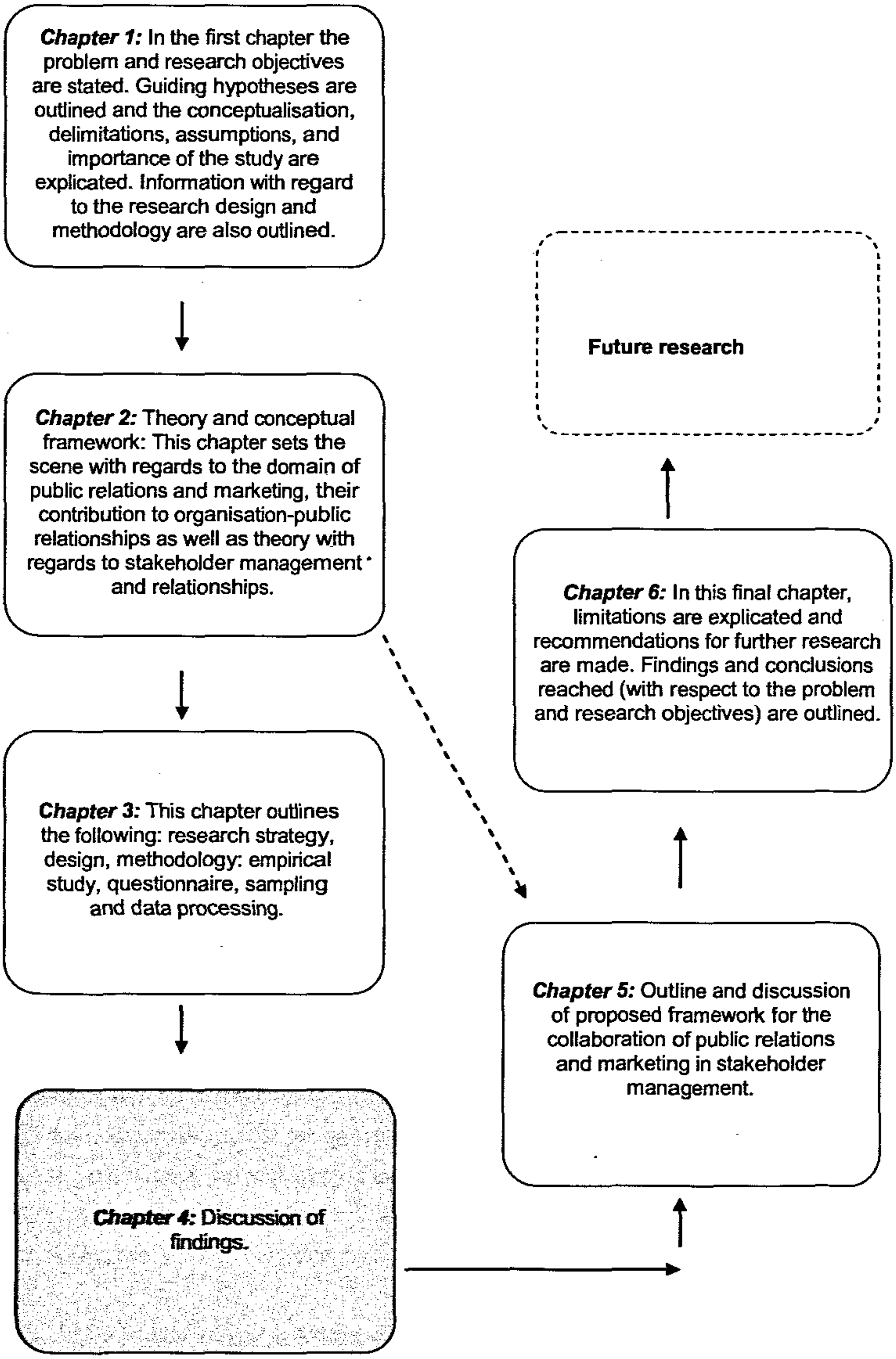


Figure 4.1: Outline of research report

CHAPTER FOUR
DISCUSSION OF FINDINGS

The findings of the research objectives set for Phase 1: Exploration of the literature, have already been outlined in the text (chapter 2, p.26-69). The discussion of findings in this chapter, relates to research objective one in phase two of this study, namely to evaluate the existing relationship between the public relations and marketing function within Life Healthcare hospitals as well as their contribution to creating effective relationships. This objective was fulfilled by achieving the following secondary objectives, namely: to determine what the public relations/marketing function is currently focussing on within the various hospitals in their contribution to organisational effectiveness; to determine what is expected from the public relations and marketing functions by the dominant coalition of the hospitals with regard to their contribution to organisational effectiveness; to determine what the public relations/marketing function currently achieves/ focuses on in building relationships with stakeholders; to determine what the dominant coalition of the hospital expects the public relations and marketing function to achieve with building relationships with stakeholders; and to ascertain what the skills possessed by incumbents in the related department(s) are.

To achieve these objectives a questionnaire was distributed to the managers, line manager and incumbents of the public relations and marketing functions within the Life Healthcare hospitals situated in the Eastern region. The findings presented in this chapter are the responses to the measurement items in the questionnaire which comprises of two sections, originally developed for other studies by Worral (2005) and Grunig and Hon (1999) and adapted for this study by the researcher. The findings have been presented by descriptions using graphs and tables.

4.1 Realisation rate

At the onset of this study it was envisaged that the sample size would result in including the hospital managers, line managers and incumbents of 16 hospitals in the Eastern region of the Life Healthcare group. However, when the next step in the study needed to be implemented, namely the gathering of data, it became apparent that the situation in the Eastern region with regard to the organisational structure of hospitals had changed. Table 4.1 indicates the realisation rate of the questionnaires distributed:

Table 4.1: Realisation rate of collected data
(based on Worrall, 2005:21)

Sample size	Total number of questionnaires received	Number of unusable questionnaires received	Number of usable questionnaires received	Realisation rate
16	13	0	13	81.25%

The research area, namely the Eastern region of the Life Healthcare group of hospitals now consists of 8 hospital facilities and not 16 as originally envisaged. Originally the sample size was envisaged as 52 as each hospital has a hospital manager and marketing or public relations incumbent along with line managers. When the final planning was executed in order to send out the questionnaires, it emerged that there had been restructuring of posts and hospital groupings to only 8 facilities as the hospitals had been grouped so that some facilities were combined into one management team with an incumbent in a marketing or public relations position which resulted in a sample size of 16. This then resulted in 8 managers who completed the questionnaire and 5 public relations/marketing incumbents – as some incumbents in fact work for two facilities and there were facilities that were still in the process of appointing a marketing or public relations incumbent therefore the post was vacant at the time of the study. Therefore the realisation rate includes 13 completed questionnaires out of the envisaged 16 (in the new structure), but does not include unusable questionnaires as such as there were in fact three less respondents due to the re-structure of facilities and unfilled posts. Therefore the realisation rate is technically 81.25% as indicated by the sample size envisaged upon sending out the questionnaires, but 100% as all possible respondents available in the research area did submit their questionnaires.

As the number of questionnaires received are not sufficient according to rules of significance such as Hatcher's (1994) recommendation of a 'rule of 100' namely that the number of respondents should be the larger of 5 times the number of variables or 100 and Lawley and Maxwell's (1971) '*significance rule*' in terms of determining the optimum number of respondents or observations required for factor analysis. It suggests that there should be 51 more cases than the number of variables (Worrall, 2005:21). Therefore factor analysis, inferential parametric statistics and multivariate tabulation could not be incorporated into this research study (as previously outlined in chapter 3, p.80). Only basic descriptive data analysis could be used (Breytenbach, 2009) to summarise and structure the data in an overall, coherent and straightforward picture of the area studied (Struwig & Stead, 2001:158) in order to draw meaning from it.

The data analysis was therefore influenced by the number of realised questionnaires as inferential parametric statistics and factor analysis cannot be drawn due to the low number of respondents. Thus, unfortunately generalisations can only be made from the data for the Eastern region only and not for the entire group of hospital facilities. Further research will be needed in this instance. If the number of observations had been sufficient, factor analyses could have been conducted in order to determine how the independent variables influenced the dependant variable of this study.

4.2 Descriptive statistics

The software programme used to process and analyse the data is called Keypoint 5.5. It lets you design and create survey forms; distribute them in printed or electronic form; collect, enter and process the responses and then to analyse and present the results. Data analysis included descriptive statistics which was calculated in order to convert the obtained data into a structure that will make it easy to understand and interpret. Analyses included pivot tables, cross tabulations and chi square analysis besides the basic descriptive data analysis in order to calculate the mean (average score) and standard deviation ("measures the deviation of each score from the mean and then averages the deviation," Struwig and Stead (2001:158)) of the variables with the purpose of describing and drawing meaning from the data set (Breytenbach, 2009).

Univariate (in other words tabulation of responses to one question at a time) and bivariate tabulation (in other words a simultaneous expression of more than one set of answers at a time) of the raw data has been used (Struwig & Stead, 2001:152). The measurement of central tendency and dispersion was done in terms of the mean or average score per question (item) and collective per construct measured. The scale used for all the measurement questions was converted to a numeric scale. This is a fairly widespread practice in the realm of communication research and affords the opportunity to measure central tendency by the mean score and dispersion by the standard deviation percentages (Breytenbach, 2009; Jensen, 2004:91).

4.2.1 Findings on section A of the questionnaire: demographics

Table 4.2 below (p. 85) outlines the demographics of the respondents.

Table 4.2: Demographics of respondents

Demographic: dominant coalition (N=8)	Options	Percentage	Demographic: PR & marketing incumbents (N=5)	Options	Percentage
Gender	Male	88	***Gender***	Male	
	Female	12		Female	100
Level of expertise expected by dominant coalition	Nursing	23	***Level of expertise incumbents have***	Nursing	11
	Public Relations	23		Public Relations	22
	Marketing	23		Marketing	56
	Communication	23		Communication	11
	Other	8		Other	0
Level of education expected by dominant coalition	Matric		***Level of education incumbents have***	Matric	
	Certificate	0		Certificate	
	Diploma	12		Diploma	50
	Degree	76		Degree	
	Honours	0		Honours	50
	Masters	12		Masters	
	Doctorate	0		Doctorate	
Qualification expected by dominant coalition	Marketing	50	***Qualifications of incumbents***	Marketing	0
	Communication	10		Communication	0
	Public Relations	30		Public Relations	40
	Journalism	0		Journalism	0
	Business management	10		Business management	0
	Nursing	0		Nursing	20
	Other	0		Other	40

What is interesting to note from a comparison between what demographics are expected by the dominant coalition and the demographics displayed by the incumbents of the public relations (PR) and marketing functions within the Eastern region are:

- The level of expertise expected by the dominant coalition is a spread of nursing, PR, marketing and communication. However, the incumbents of the PR and marketing positions are more slanted towards marketing and then PR to a lesser degree with communication and nursing showing the lowest percentage.
- A significant percentage of the dominant coalition is satisfied with incumbents having a degree-level of knowledge with 50% of the incumbents actually having an honours-level of knowledge.
- The dominant coalition displays a strong favour towards marketing as the focus of qualifications needed by incumbents, followed by public relations being the next highest focus area. However, the incumbents of the PR and marketing positions display no marketing qualifications with public relations being the focus of qualification followed by nursing at 20% and unrelated qualifications at 40%. This would suggest that incumbents do not base their marketing outputs on theoretical knowledge, but more on practical experience.
- It can also be concluded that some incumbents in fact do not have any theoretical background to base their outputs on as their qualifications consist of 20% nursing and 40% other areas and therefore can only rely on practical experience.
- Incumbents therefore have practical experience of marketing, but do not have formal marketing qualifications as the dominant coalition would like them to have.
- Judged by demographics – it is apparent that the dominant coalition outlines a stronger marketing focus needed by incumbents, but incumbents display a stronger PR focus in qualifications yet with a stronger marketing focus in their field of expertise.

- The dominant coalition also displays the interesting outlook that there are managers who would like incumbents to rank nursing under their field of expertise, but yet do not mention it as a qualification they would like incumbents to have! It is quite uncommon for marketing/PR qualified persons to have nursing expertise or practical knowledge of nursing.

Judging by the above outcomes of the demographic section of the questionnaire compared to the informal review done of the post titles and job description of the incumbents which informed the study, it is clear that there isn't a correlation between what the dominant coalition expects, what the incumbents in fact display and what they are titled within the organisation structure (job titles varied from doctor liaison officer to public relations officer and marketing and doctor liaison manager). The research also showed that incumbents viewed themselves to be in more of a marketing role with managers wanting marketing and public relations expertise. It must be noted, that in this instance the level of the manager and incumbents understanding of what they view public relations and marketing to be, was not tested. Therefore, the incumbents' view of what they focus on and the managers' view of what they would like their incumbents to focus on are possibly skewed.

The informal job description review also revealed that the post titles and job descriptions vary from hospital to hospital within the Eastern region making it difficult to synthesise marketing and public relations efforts within the region which could support the brand as a whole. There is also a strong display in job descriptions of actions that are placed there as there aren't any other positions to fulfil those roles rather than job descriptions flowing from what theoretically is needed to build a strong marketing and public relations platform.

4.2.2 Findings on section B of the questionnaire: the dominant coalition's marketing and public relations needs

Table 4.3 below is the summary of the statistics which outline the indices which are allocated to being part of marketing strategy and the indices which are allocated to being part of public relations strategy within an organisation as substantiated in a previous study (Worral, 2005) and outlined in chapter 3 of this study (p.72) – as it relates to the dominant coalition's need of the extent of what they would like their public relations and marketing personnel to be involved in.

The mean of means for the dominant coalition's need for what their PR and marketing staff must be involved in is 79% with a low standard deviation of 13%. This indicates that most of the items analysed as part of PR and marketing is found to be important to what they need their staff to be involved in, with most answers falling within the 5 to 7 category which indicates a high importance.

The mean of means for the items more focussed in the field of public relations is 78% with a low standard deviation of 13%. The mean of means for the items more focussed in the field of marketing is 70% with a very low standard deviation of 9%. This suggests that the dominant coalition within the Eastern region of the Life Healthcare group have a similar need to focus on marketing activities. However, within public relations they have a slightly larger deviation from each other with a 13% standard deviation indicated.

Theory, as discussed in previous chapters suggests that if an organisation wants to be excellent, public relations and marketing need to be viewed of equal importance. Within the Eastern region, the dominant coalition view public relations as having a slightly higher importance than marketing. Which is interesting for the concept of stakeholder management within the organisation as it would suggest a stronger affiliation with 'publics' rather than 'markets'.

However, the dominant coalition does view the items which indicate what PR and marketing is involved in on strategic level of high importance, which suggests that they would like the incumbents of the PR and marketing positions to be involved in a more strategic/business level capacity.

Table 4.3: Contribution to marketing and public relations – the dominant coalition's need of the extent of what they would like their public relations and marketing personnel to be involved in

Construct	Item	N	Low 1 (%)	2 (%)	3 (%)	4 (%)	5 (%)	6 (%)	High 7 (%)	D/K	Mean	Standard deviation
	Dominant coalition's perception of the extent of their employees contribution to the activity											
Public Relations	2 To do an overall communication channel analysis as a form of stock taking on the communication channels (to be) used to communicate to stakeholders.	8	0	0	0	**13**	**38**	**50**	0	0	73	12
	3 To identify issues that pose a risk to Life Healthcare hospitals' reputation.	8	0	0	0	0	**25**	**25**	**50**	0	87	15
	4 To identify Life Healthcare hospitals' strategic stakeholders for the purpose of developing marketing communication strategy.	8	0	0	0	0		**63**	**38**	0	89	9
	5 To do research in order to determine stakeholder attitudes towards Life Healthcare hospitals before conducting corporate communication programmes.	8	0	0	0	0	**50**	**38**	**13**	0	77	13
	6 To develop corporate communication strategy in support of Life Healthcare hospitals' top level strategies.	8	0	0	0	0	**38**	**63**	0	0	77	9
	8 To establish key short-term objectives to achieve corporate communication goals that were set.	8	0	0	0	0	**25**	**63**	**13**	0	81	11
	9 To analyse Life Healthcare hospitals' environment in order to gain insight that is useful to senior management in strategic decision making.	8	0	0	0	**13**	**13**	**25**	**50**	0	85	19
	10 To work together with other functions in support of Life Healthcare hospitals' top level strategies.	8	0	0	0	**13**	**38**	**25**	**25**	0	77	18
	11 To decide on the specific channels to be used to transmit messages to stakeholders such as Life Healthcare hospitals' doctors and referring General Practitioners.	8	0	0	**13**	0	0	**63**	**25**	0	81	21
	12 To build relationships with resident doctors/referring General Practitioners.	8	0	0	0	0	0	**25**	**75**	0	96	8
	13 To assist senior management to formulate Life Healthcare hospitals' social responsibilities.	8	0	0	**13**	**25**	**13**	**50**	0	0	66	20
	16 To facilitate the cross-functional process of reputation risk management.	8	0	0	0	0	**50**	**38**	**13**	0	77	13
	18 To develop implementation strategies to achieve corporate communication goals.	8	0	0	0	0	**25**	**75**	0	0	79	8
	19 To act as an advocate for key stakeholders by explaining their views to management.	8	0	0	0	**25**	**38**	**38**	0	0	68	14
	20 To provide focus/direction to the group communication function by developing a framework for communication plans.	8	0	0	0	0	**63**	**38**	0	0	72	9
	22 To develop communication policy for Life Healthcare hospitals i.e. decide who is allowed to communicate what to whom.	8	0	**13**	0	**13**	**38**	**25**	**13**	0	66	25
	27 To develop themes to be communicated to Life Healthcare hospitals' stakeholders.	8	0	0	0	**13**	**38**	**38**	**13**	0	75	16
Marketing	1 To make an input into decisions that will result in improving Life Healthcare hospitals' financial performance.	8	0	0	0	**25**	**13**	**63**	0	0	73	15
	7 To provide a customer perspective for purposes of strategy formulation within Life Healthcare hospitals.	8	0	0	0	0	**13**	**38**	**50**	0	89	13
	14 To assist in the development of strategic perspectives for business units within the hospital environment to direct its future course.	8	0	0	0	0	**25**	**75**	0	0	79	8
	15 To contribute to decision making to produce a sustainable competitive advantage for Life Healthcare hospitals' divisions.	8	0	0	0	0	**25**	**63**	**13**	0	81	11
	17 To contribute to decision making on diversification/strategic alliances/joint ventures for Life Healthcare hospitals.	8	0	0	**13**	**25**	**50**	**13**	0	0	60	15
	21 To make a contribution in formulating the brand essence.	8	0	0	0	**13**	**38**	**25**	**25**	0	77	18
	23 To do research in order to determine customer attitudes towards Life Healthcare hospitals before conducting marketing communication programmes.	8	0	0	**13**	0	**38**	**38**	**13**	0	73	20
	24 To develop implementation strategies to achieve marketing goals.	8	0	0	0	0	**38**	**50**	**13**	0	79	12
	25 To decide on the marketing communication mix to be used to transmit core product messages to customers.	8	0	0	**13**	0	**25**	**63**	0	0	73	18
	26 To provide focus/direction to the group marketing function by developing a framework for marketing plans.	8	0	0	0	**25**	**38**	**38**	0	0	68	14
	28 To establish key short-term objectives to achieve marketing goals that were set.	8	0	0	0	**13**		**63**	**25**	0	83	15
	29 To develop marketing strategy for a specific product/segment.	8	0	0	0	0	**13**	**63**	**25**	0	85	11
	30 To be involved in defining the approach of an individual business unit(s) in competing in a chosen market/industry segment.	8	0	0	0	0	**13**	**88**	0	0	81	6
	31 To act as an 'early warning system' to top management before market trends erode Life Healthcare hospitals' competitive advantage.	8	0	0	0	0	**13**	**50**	**38**	0	87	12
	32 To assist in deciding on the proper positioning of certain products	8	0	0	0	0	**25**	**75**	0	0	79	8
	33 To build relationships with stakeholders in the value chain such as specialists and referring General Practitioners.	8	0	0	0	0	0	0	**100**	0	100	0
	27 To develop themes to be communicated to Life Healthcare hospitals' stakeholders.	8	0	0	0	**13**	**38**	**38**	**13**	0	75	16

4.2.3 Findings on section B of the questionnaire: the incumbents' perception of the extent of their contribution to marketing and public relations

Table 4.4 below is the summary of the statistics which outline the indices which are allocated to being part of marketing strategy and the indices which are allocated to being part of public relations strategy within an organisation as substantiated in a previous study (Worral, 2005) and outlined in chapter 3 of this study (p.72) – as it relates to the public relations and marketing incumbents' view on the extent of their contribution to the specific item.

The mean of means of the incumbents' view of the extent of their input into PR and marketing is 56% with a relatively high standard deviation of 33%. This indicates that the incumbents extent of work within the PR and marketing items analysed is seen to be of average importance with a spread of answers from 1 being an indication of 'least involved' in the specific item and 7 being an indication of being 'very involved' in the specific item.

The mean of means for the items more focussed in the field of public relations is 59% with an average standard deviation of 33%. The mean of means for the items more focussed in the field of marketing is 53% with an average standard deviation of 33%. The relatively high standard deviation of 33% suggests that the incumbents of the PR and marketing positions in the Eastern region of the Life Healthcare group have quite a variation in that which they are involved within the different hospitals. They also have a slightly higher focus on public relations than marketing, but on the whole see the items which indicate the scope of work which public relations and marketing should be involved in on a strategic level as less important within their scope of work with a mean of means below 60%. This suggests that the incumbents are not as involved in strategic PR and marketing activities as the dominant coalition would like them to be. Furthermore, this suggests that they are not bringing stakeholders into as high an importance as the dominant coalition would like them to be doing.

Table 4.4: Contribution to marketing and public relations – the incumbents' perception of the extent of their contribution to public relations and marketing activities

Construct	Item	N	Low 1 (%)	2 (%)	3 (%)	4 (%)	5 (%)	6 (%)	High 7 (%)	D/K	Mean	Standard deviation
	Incumbents' perception of the extent of their contribution with regard to the activity											
Public Relations	2 To do an overall communication channel analysis as a form of stock taking on the communication channels (to be) used to communicate to stakeholders	5	20	20	40	0	0	0	20	0	37	38
	3 To identify issues that pose a risk to Life Healthcare hospitals' reputation.	5	20	0	0	20	20	40		0	57	34
	4 To identify Life Healthcare hospitals' strategic stakeholders for the purpose of developing marketing communication strategy.	5	20	0	0	0	20	40	20	0	67	39
	5 To do research in order to determine stakeholder attitudes towards Life Healthcare hospitals before conducting corporate communication programmes.	5	20	0	20	0	20	20	20	0	57	40
	6 To develop corporate communication strategy in support of Life Healthcare hospitals' top level strategies.	5	20	0	0	20		40	20	0	63	39
	8 To establish key short-term objectives to achieve corporate communication goals that were set.	5	20	0	0	20	40		20	0	57	36
	9 To analyse Life Healthcare hospitals' environment in order to gain insight that is useful to senior management in strategic decision making.	5	20	0	40	0	0	40	0	0	47	36
	10 To work together with other functions in support of Life Healthcare hospitals' top level strategies.	5	0	0	20	0	20	40	20	0	73	25
	11 To decide on the specific channels to be used to transmit messages to stakeholders such as Life Healthcare hospitals' doctors and referring General Practitioners.	5	0	0	0	0	0	40	60	0	93	9
	12 To build relationships with resident doctors/referring General Practitioners	5	0	0	0	20	0	20	60	0	87	22
	13 To assist senior management to formulate Life Healthcare hospitals' social responsibilities.	5	0	0	20	20	0	20	40	0	73	30
	16 To facilitate the cross-functional process of reputation risk management.	5	20	20	0	40	0	20	0	0	40	32
	18 To develop implementation strategies to achieve corporate communication goals.	5	20	0	20	20	0	40	0	0	50	35
	19 To act as an advocate for key stakeholders by explaining their views to management.	5	20	0	0	40	20	20	0	0	50	31
	20 To provide focus/direction to the group communication function by developing a framework for communication plans.	5	20	0	0	20	40	0	20	0	57	36
	22 To develop communication policy for Life Healthcare hospitals i.e. decide who is allowed to communicate what to whom.	5	20	0	20	0	0	20	20	20	43	46
	27 To develop themes to be communicated to Life Healthcare hospitals' stakeholders.	5	20	0	0	20	20	0	40	0	63	41
Marketing	1 To make an input into decisions that will result in improving Life Healthcare hospitals' financial performance.	5	20	20	20	20	0	20	0	0	37	32
	7 To provide a customer perspective for purposes of strategy formulation within Life Healthcare hospitals.	5	20	0	40	20	20	0	0	0	37	24
	14 To assist in the development of strategic perspectives for business units within the hospital environment to direct its future course.	5	0	20	0	20	20	40	0	0	60	28
	15 To contribute to decision making to produce a sustainable competitive advantage for Life Healthcare hospitals' divisions.	5	20	0	0	20	40	20	0	0	53	31
	17 To contribute to decision making on diversification/strategic alliances/joint ventures for Life Healthcare hospitals.	5	20	60	0	0	20	0	0	0	24	25
	21 To make a contribution in formulating the brand essence.	5	20	20	0	0	0	60	0	0	53	41
	23 To do research in order to determine customer attitudes towards Life Healthcare hospitals before conducting marketing communication programmes.	5	20	0	20	20	0	20	20	0	53	39
	24 To develop implementation strategies to achieve marketing goals.	5	0	20	0	20	20	0	40	0	67	35
	25 To decide on the marketing communication mix to be used to transmit core product messages to customers.	5	20	0	0	20	20	20	20	0	60	38
	26 To provide focus/direction to the group marketing function by developing a framework for marketing plans.	5	0	20	0	40	0	0	40	0	63	36
	28 To establish key short-term objectives to achieve marketing goals that were set.	5	0	20	0	20	20	0	40	0	67	35
	29 To develop marketing strategy for a specific product/segment.	5	20	0	0	20	0	40	20	0	63	39
	30 To be involved in defining the approach of an individual business unit(s) in competing in a chosen market/industry segment.	5	20	0	20	20	0	40	0	0	50	35
	31 To act as an 'early warning system' to top management before market trends erode Life Healthcare hospitals' competitive advantage.	5	20	40	0	0	20	20	0	0	37	36
	32 To assist in deciding on the proper positioning of certain products	5	20	0	20	40	20	0	0	0	40	25
	33 To build relationships with stakeholders in the value chain such as specialists and referring General Practitioners.	5	0	0	20	0	20	20	40	0	76	28
	27 To develop themes to be communicated to Life Healthcare hospitals' stakeholders.	5	20	0	0	20	20	0	40	0	63	41

4.2.4 Findings on section B of the questionnaire: comparison between the dominant coalition's need and the incumbents' output

Item 1 below is linked to strategic marketing within the organisation and outlines' marketing's contribution to the financial output of the organisation. 80% of the incumbents indicated that they are not really involved on such a level with over 60% of the dominant coalition indicating that they would like them to be involved with an importance level indicated at 6.

Item 1	**Mean (%)**	**Standard deviation (%)**
Dominant coalition	73	15
Incumbents	37	32

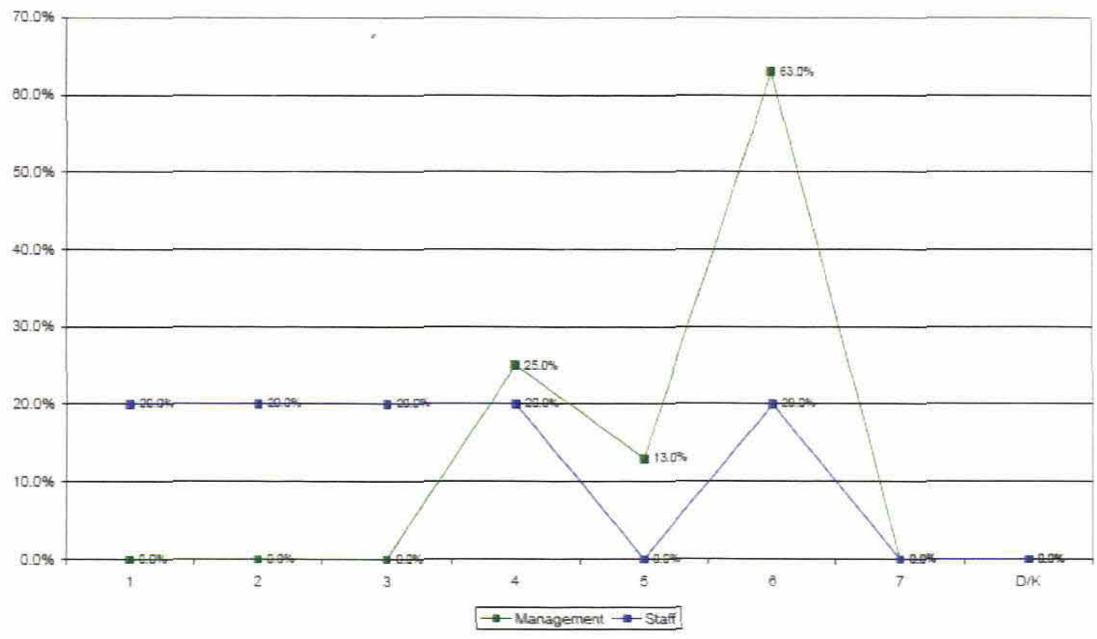


Figure 4.2: Graphic: percentage findings of questionnaire (section B) – Item 1

Item 2 is linked to the public relations portfolio within the organisation. Even though the dominant coalition is expecting incumbents to be involved in the decisions with regard to channels used with an 88% indication for an importance level of 5 and above, the incumbents showed a low involvement with an 80% indication between an involvement level of only 1 to 3.

Item 2	Mean (%)	Standard deviation (%)
Dominant coalition	73	12
Incumbents	37	38

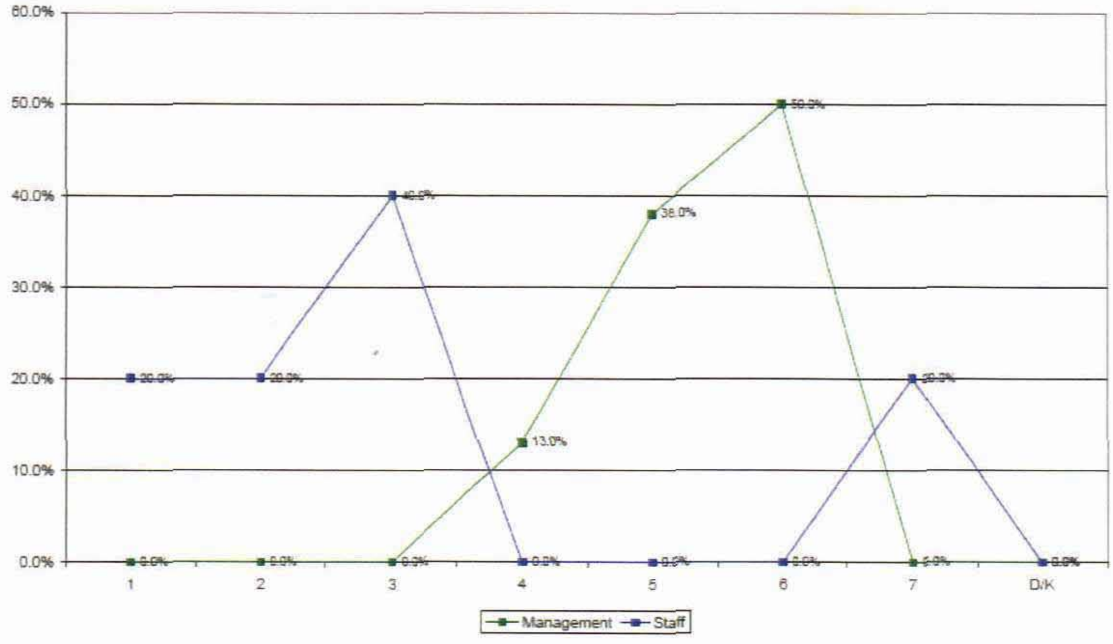


Figure 4.3: Graphic: percentage findings of questionnaire (section B) – Item 2

Item 3 indicates to what extent the evaluation of risks is currently incorporated into the incumbents' extent of PR work compared to the view of importance by the dominant coalition. All the correspondents within the dominant coalition gave it importance with 100% indicating for a level of 5 and above with 60% of them indicating it as very important (level 7). 40% of the incumbents do not really incorporate it in their scope of work with an importance level varying from 1 to 4.

Item 3	Mean (%)	Standard deviation (%)
Dominant coalition	87	15
Incumbents	57	34

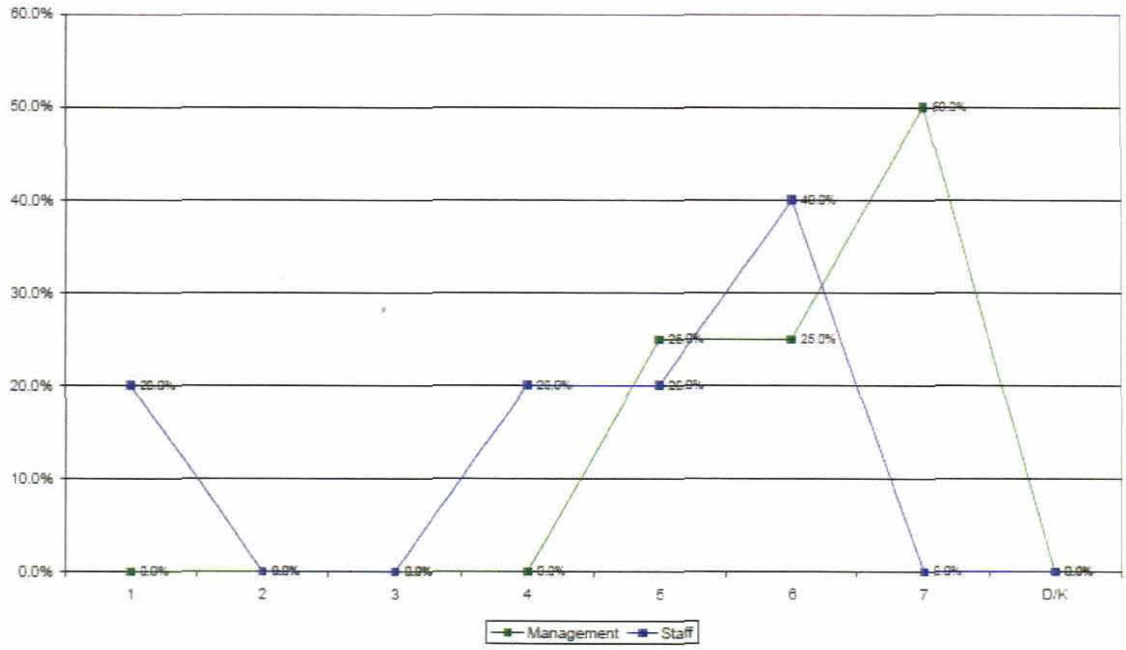


Figure 4.4: Graphic: percentage findings of questionnaire (section B) – Item 3

Item 4 indicates the extent to which incumbents are involved in identifying strategic stakeholders in order to assist marketing type communications – in other words communication to extract business/returns from the strategic stakeholders. It is interesting that both the dominant coalition and incumbents indicated a high importance with regard to their involvement, but judging by the research as a whole, the incumbents can identify the stakeholders, but they lack the expertise and are not set-up within their scope of work to follow the communication through in order to gain from the relationship with the stakeholder.

Item 4	Mean (%)	Standard deviation (%)
Dominant coalition	89	9
Incumbents	67	39

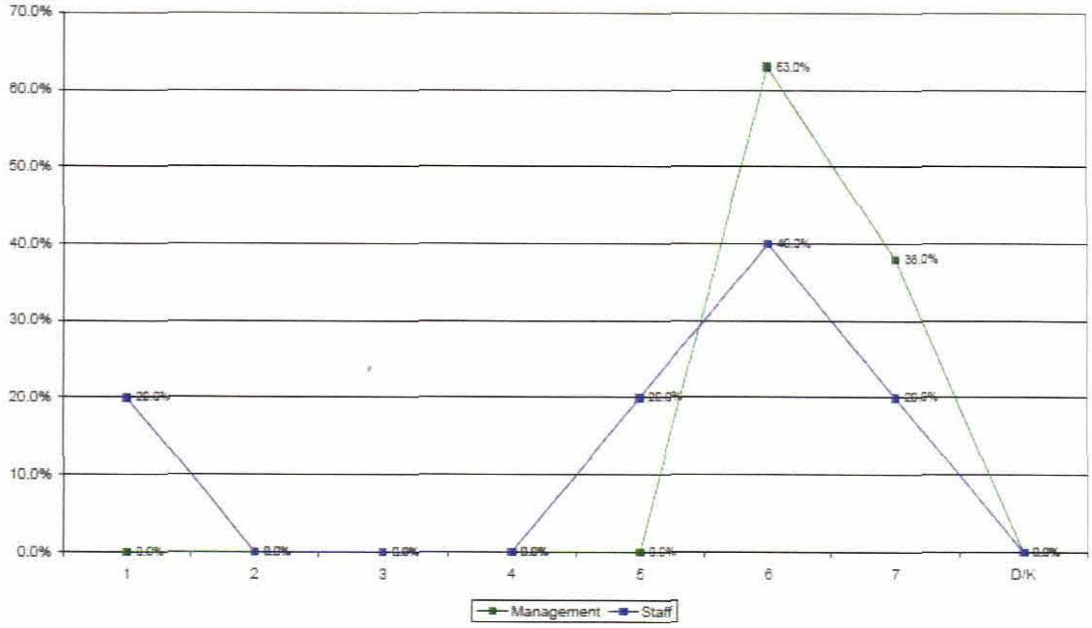


Figure 4.5: Graphic: percentage findings of questionnaire (section B) – Item 4

Item 5 is an indication of the importance of evaluating stakeholder attitudes in order to inform communication programmes. Within the region there is quite a differentiation between the importance of such a task in the various hospitals, however the dominant coalition has consensus of the importance of such a task with a 100% indication above level 5.

Item 5	Mean (%)	Standard deviation (%)
Dominant coalition	77	13
Incumbents	57	40

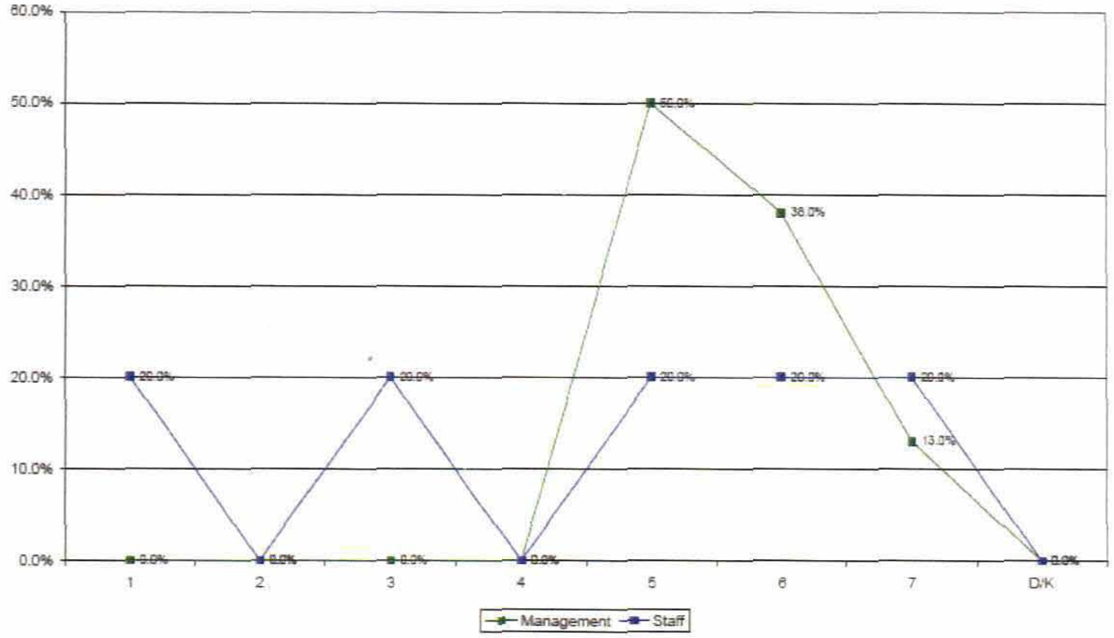


Figure 4.6: Graphic: percentage findings of questionnaire (section B) – Item 5

Item 6 is an indication of the contribution to top level strategies through the development of corporate communication strategy. There is a high level of expectance from the dominant coalition as to the involvement of their incumbents; however the level of current input is widespread amongst the various incumbents with a level of input ranging from 1 to 7.

Item 6	Mean (%)	Standard deviation (%)
Dominant coalition	77	9
Incumbents	63	39

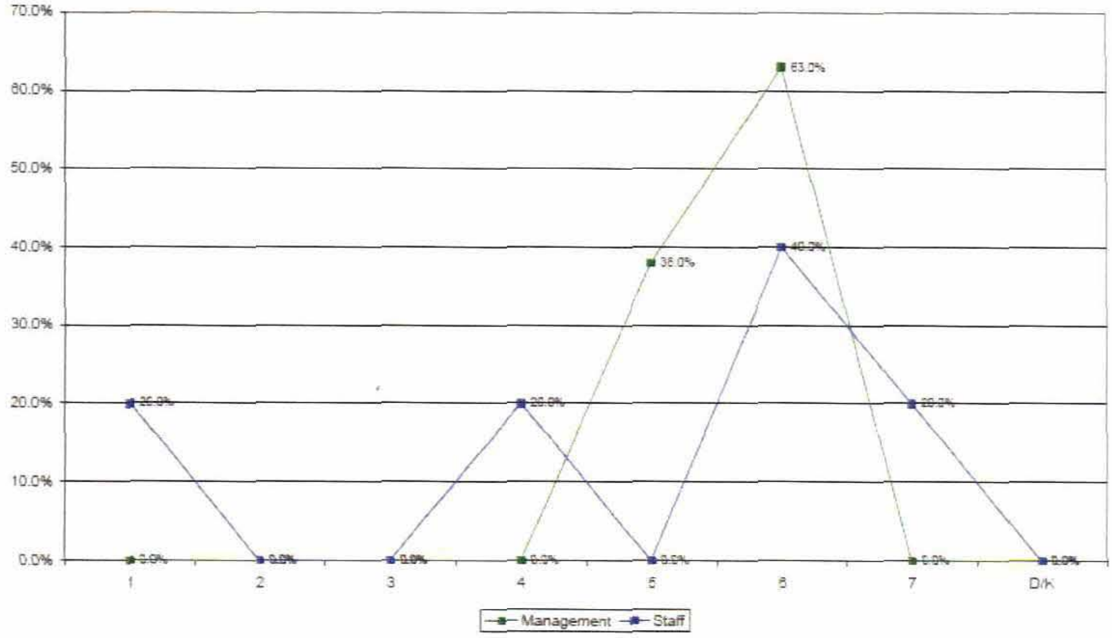


Figure 4.7: Graphic: percentage findings of questionnaire (section B) – Item 6

Item 7 is an indication that within the realm of marketing, incumbents do not proactively incorporate a customer perspective for the purpose of strategy formulation which is of importance within marketing strategy. However, the dominant coalition does view it as important in the scope of work needed from the incumbents.

Item 7	Mean (%)	Standard deviation (%)
Dominant coalition	89	13
Incumbents	37	24

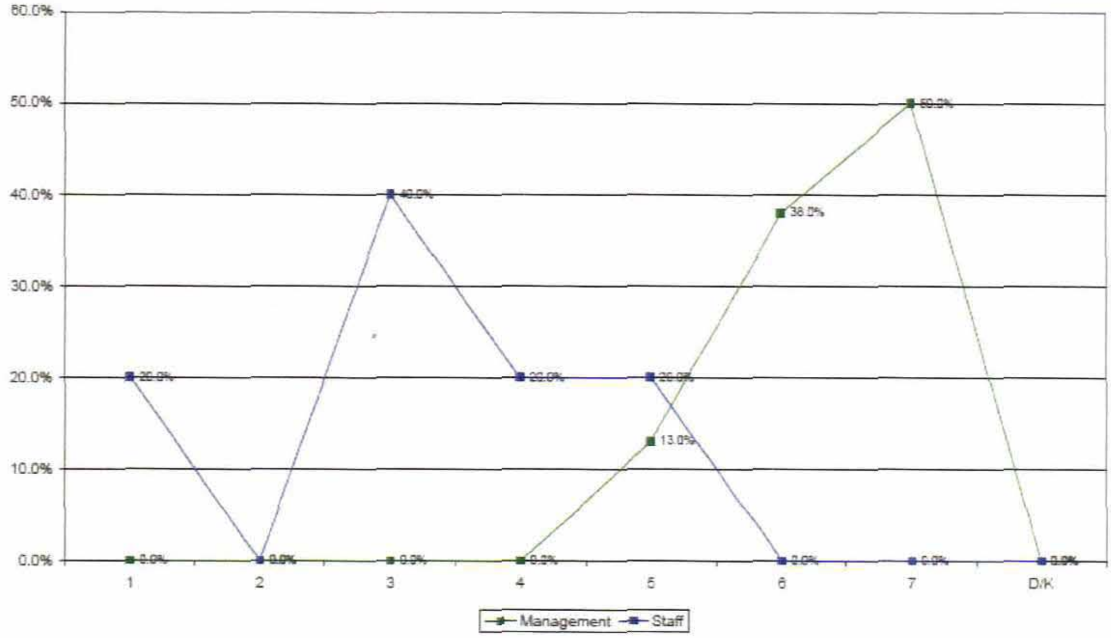


Figure 4.8: Graphic: percentage findings of questionnaire (section B) – Item 7

Item 8 indicates that 80% of the incumbents have a lower level involvement in setting short term communication goals with an input level of 5 and below indicated.

Item 8	Mean (%)	Standard deviation (%)
Dominant coalition	81	11
Incumbents	57	36

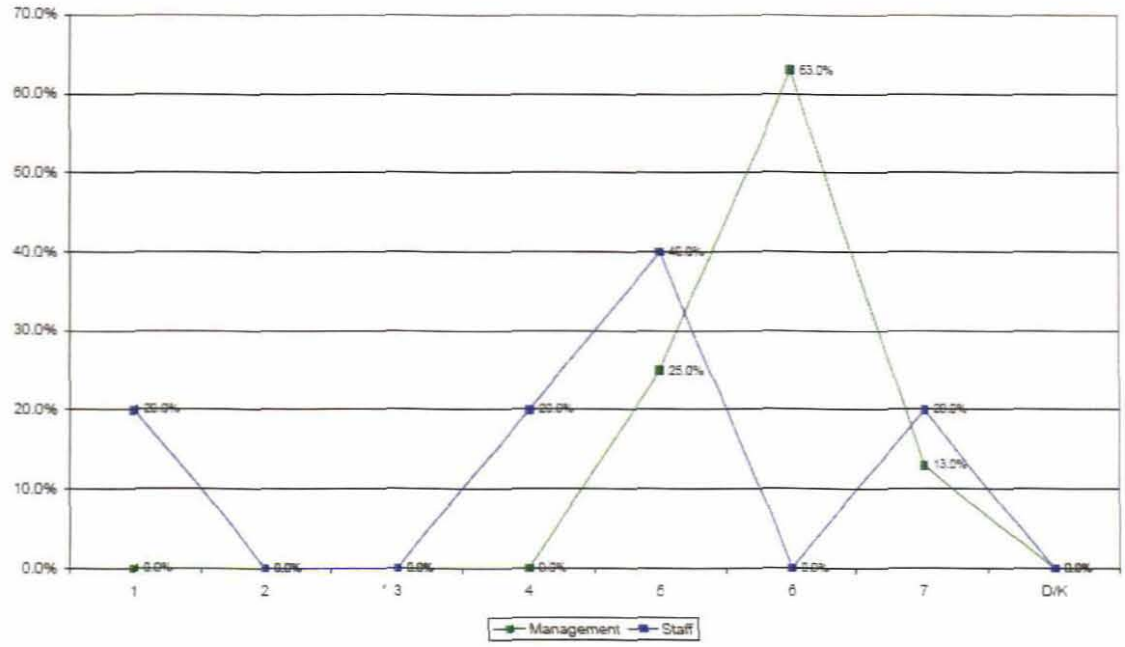


Figure 4.9: Graphic: percentage findings of questionnaire (section B) – Item 8

Item 9 indicates a varied level of involvement and importance from both incumbents and the dominant coalition towards the reflective approach in public relations, namely to analyse the hospitals environment in order to gain insight that is useful in strategic decision making.

Item 9	Mean (%)	Standard deviation (%)
Dominant coalition	85	19
Incumbents	47	36

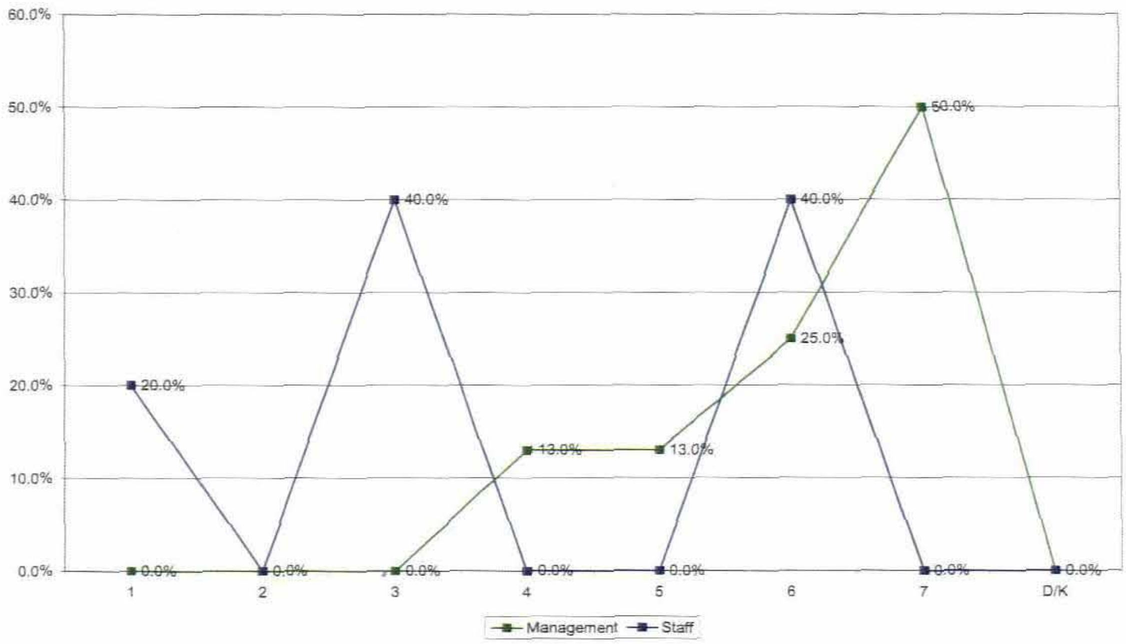


Figure 4.10: Graphic: percentage findings of questionnaire (section B) – Item 9

Item 10 shows that the dominant coalition does add value and view the involvement of public relations in matrix functions of the various hospitals, but that the input and involvement of the incumbents are higher. This could suggest that the job descriptions of the incumbents are far more slanted towards technical output rather than strategic intent.

Item 10	Mean (%)	Standard deviation (%)
Dominant coalition	77	18
Incumbents	73	25

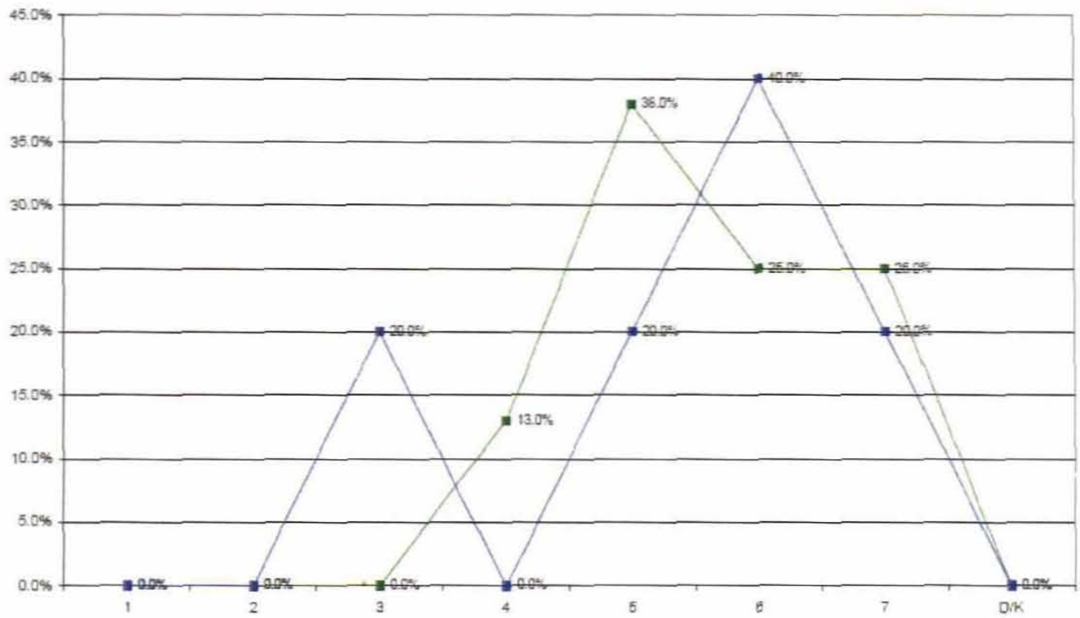


Figure 4.11: Graphic: percentage findings of questionnaire (section B) – Item 10

Item 11 indicates the level of current involvement by incumbents and the level of involvement wanted by the dominant coalition in deciding on specific channels to be used in order to transmit messages to stakeholders. The incumbents indicated a high involvement with 100% indicating a level 6 and 7. This corresponds with a majority of the dominant coalition with an 88% indication for level 6 and 7. What is interesting to note however is that in comparison with item 2 (also relating to communication channels) the dominant coalition is consistent with their view, but the incumbents indicated a very low involvement in channel stock taking, but a very high involvement here. This could suggest that they are not generally involved in stakeholders, but only view GPs or doctors as an important stakeholder.

Item 11	Mean (%)	Standard deviation (%)
Dominant coalition	81	21
Incumbents	93	9

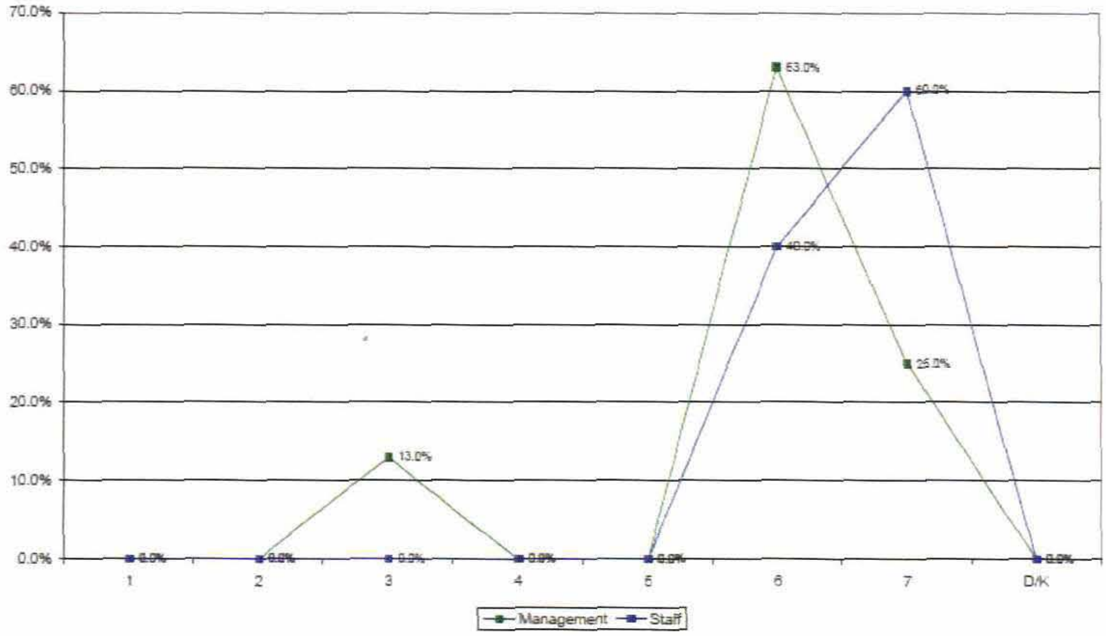


Figure 4.12: Graphic: percentage findings of questionnaire (section B) – Item 11

Item 12 corresponds with the above item 11 which means that focus is placed on relationships with doctors by the dominant coalition as well as the incumbents in the various PR and marketing positions.

Item 12	Mean (%)	Standard deviation (%)
Dominant coalition	96	8
Incumbents	87	22

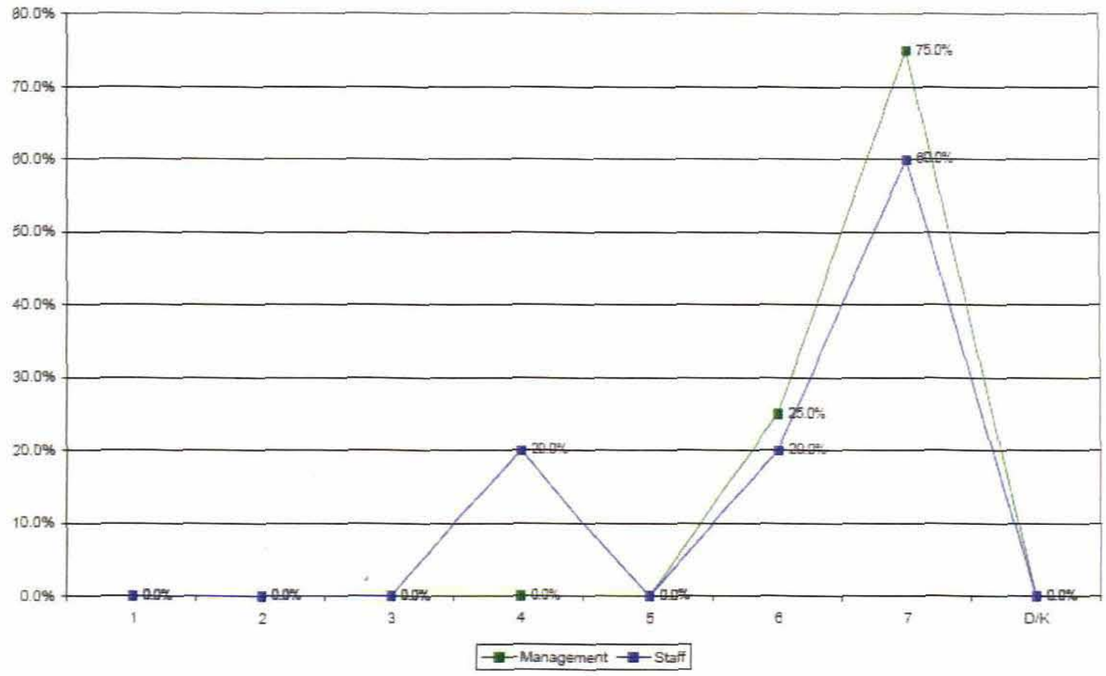


Figure 4.13: Graphic: percentage findings of questionnaire (section B) – Item 12

Like in item 9, this item shows a varied view of the importance of analysing the environment amongst the dominant coalition and an equally varying level of the incumbents' involvement in analysing the environment. Their view of one of the outcomes of analysing the environment, namely formulating social responsibilities (item 13), is just as varied.

Item 13	Mean (%)	Standard deviation (%)
Dominant coalition	66	20
Incumbents	73	30

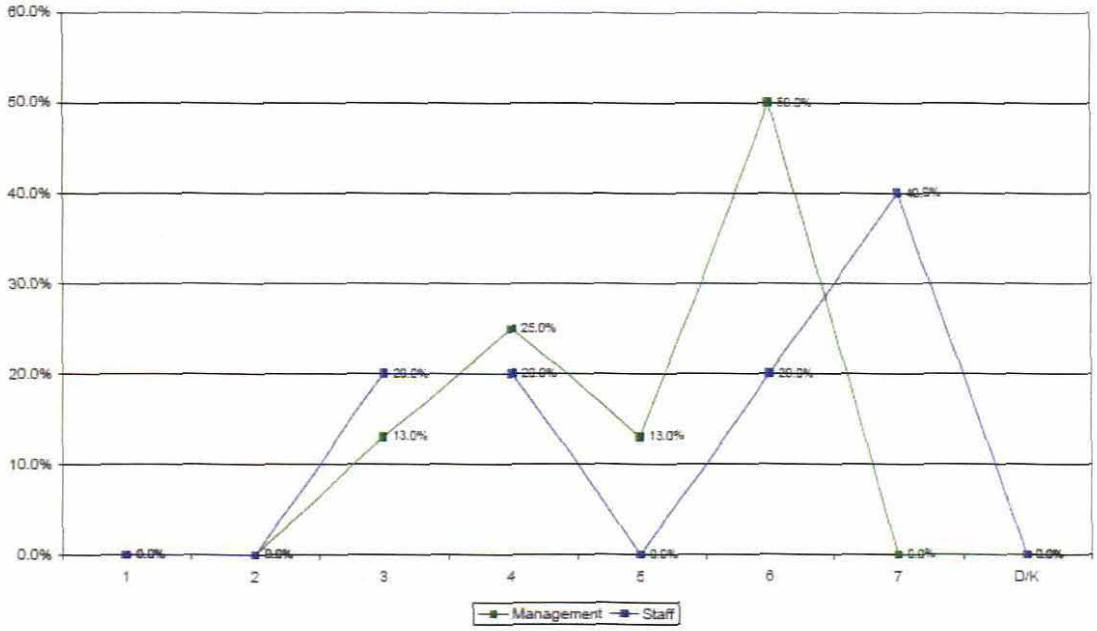


Figure 4.14: Graphic: percentage findings of questionnaire (section B) – Item 13

Item 14 shows a consistency with the view that the dominant coalition would like incumbents within the hospitals to be more strategically involved than what they currently are. With 100% of the dominant coalition indicating an importance level of 5 and above and only 60% of the incumbents indicating that they have a high involvement in development of strategic perspectives.

Item 14	Mean (%)	Standard deviation (%)
Dominant coalition	79	8
Incumbents	60	28

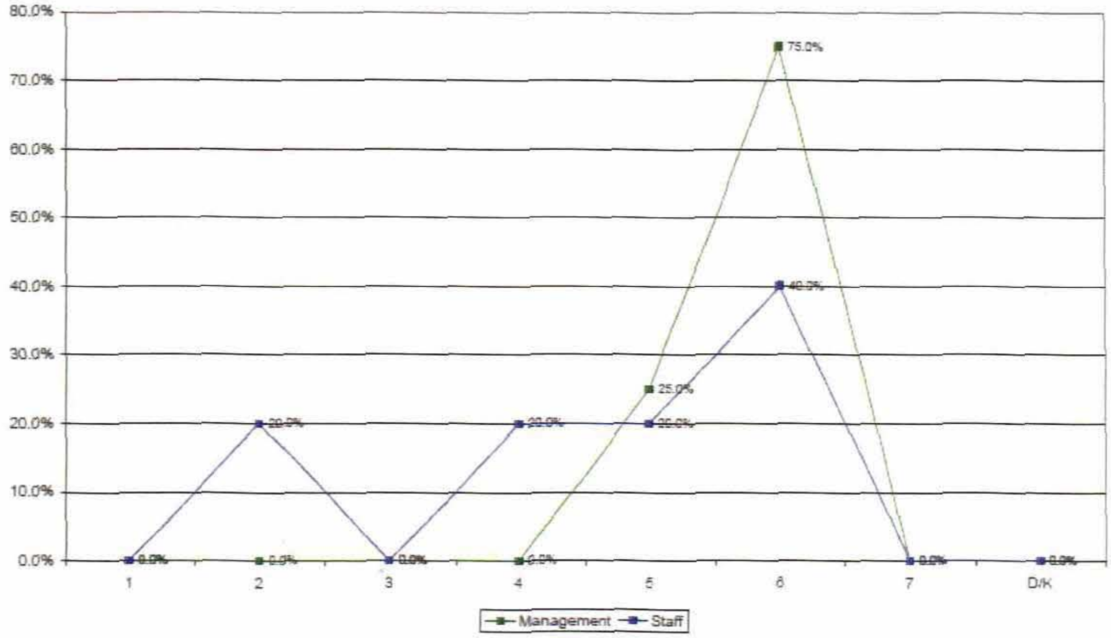


Figure 4.15: Graphic: percentage findings of questionnaire (section B) – Item 14

Item 15 correspondence with 14 in that the dominant coalition indicates that they would like incumbents not only to assist in development of strategic business levels, but also contribute to decision making with 100% indicating an importance level above 5. Incumbents however indicate that although 40% of them are involved in development at level 6 only 20% are involved at a level 6 for contributing to decision making.

Item 15	Mean (%)	Standard deviation (%)
Dominant coalition	81	11
Incumbents	53	31

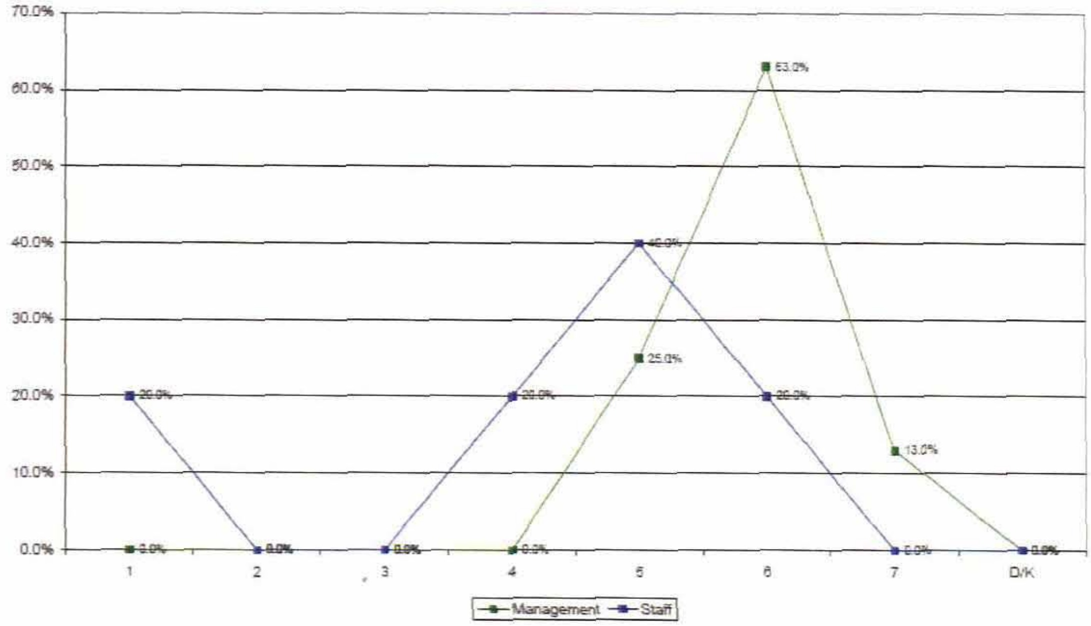


Figure 4.16: Graphic: percentage findings of questionnaire (section B) – Item 15

Item 16 shows that the dominant coalition views the cross-functional process of reputation risk management as important with a 100% indication of importance level above 5. However, most of the incumbents indicate that they are not that much involved with 80% indicating a level of 4 and below. This is interesting as the incumbents rated a high involvement in cross functional work in support of company strategies – higher than what the dominant coalition expected their involvement (Item 10) to be. However, the dominant coalition views the specific cross functional area of reputation risk management important. What is interesting to note is that in item 3, 40% of the incumbents indicated that they did not incorporate the evaluation of risk in their scope of work by indicating level 1 to 4. In item 16 it is 80% who indicate a low level of reputation risk management. However, the dominant coalition is on par with a 100% high level involvement indication in both items.

Item 16	**Mean (%)**	**Standard deviation (%)**
Dominant coalition	77	13
Incumbents	40	32

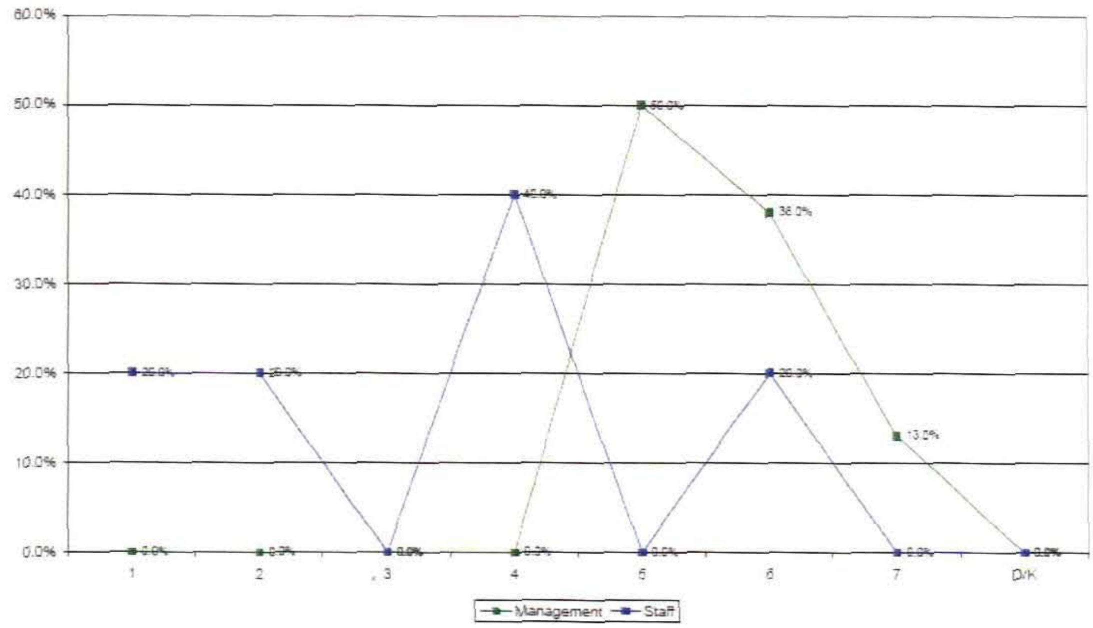


Figure 4.17: Graphic: percentage findings of questionnaire (section B) – Item 16

As in item 15, item 17 also indicates that the dominant coalition would like incumbents to be more involved in decision making rather than just purely be involved with development of business. However, it is interesting to note that the dominant coalition adds more value or a higher importance for the incumbents involvement in decision making with regard to general business strategies such as decisions with regard to creating general competitive advantage, than what they add to the incumbents' involvement in decisions with regard to specific actions such as diversification and joint ventures. Similarly the incumbents' indicated a medium involvement with development of business, but a low involvement in the specific business decisions.

Item 17	Mean (%)	Standard deviation (%)
Dominant coalition	60	15
Incumbents	24	25

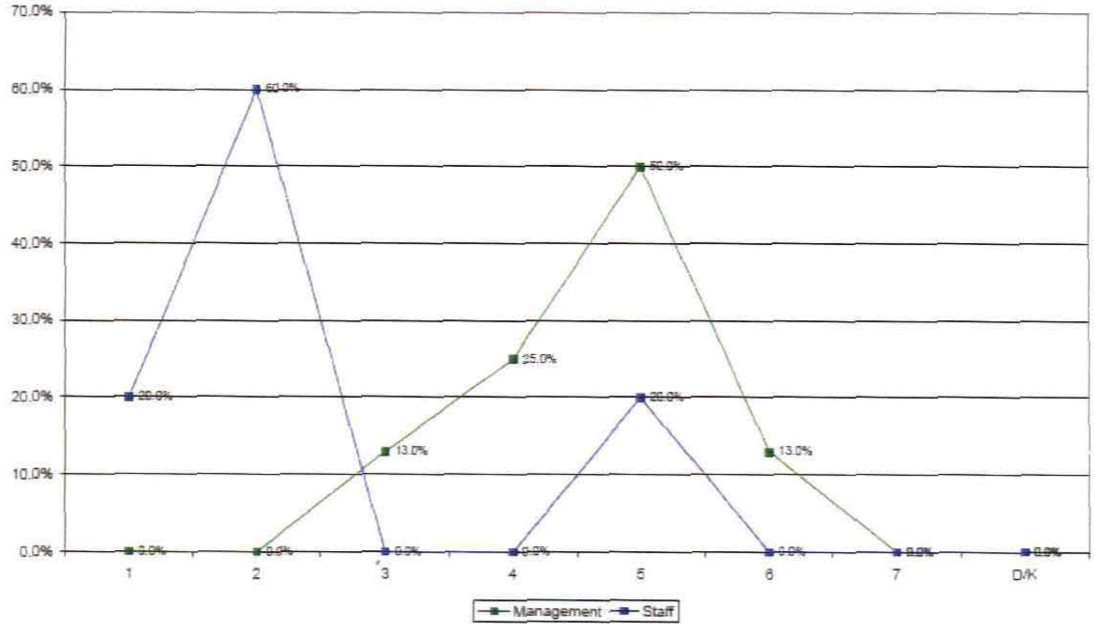


Figure 4.18: Graphic: percentage findings of questionnaire (section B) – Item 17

Item 18 indicates that 100% of the dominant coalition shows a high importance with regard to incumbents' involvement in developing implementation strategies to achieve corporate communication goals, by indicating a level 5 and above. However, only 40% of the incumbents show that it has a high importance in their work indicating a level 6. 60% of the incumbents show a low level of involvement with level indications of 4 and below. It corresponds with item 8, namely to establish key short-term objectives to achieve corporate communication goals that were set with 40% of the incumbents' showing a level of 4 and below and over 70% of the dominant coalition indicating a level 6 and 7 importance.

Item 18	Mean (%)	Standard deviation (%)
Dominant coalition	79	8
Incumbents	50	35

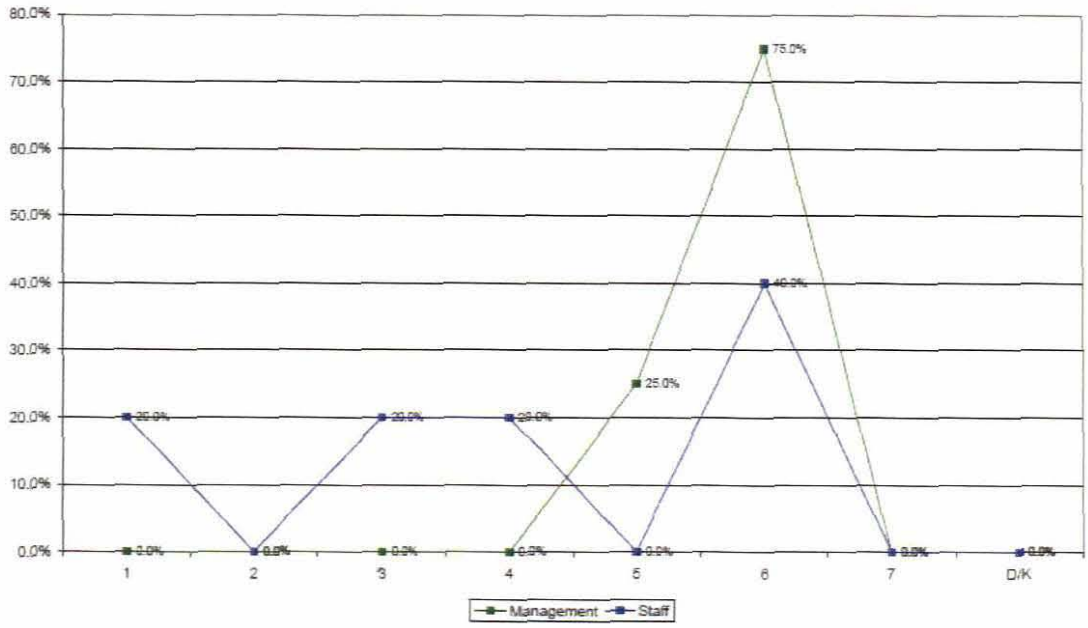


Figure 4.19: Graphic: percentage findings of questionnaire (section B) – Item 18

Item 19 indicates that the dominant coalition would like incumbents to be involved with stakeholders and bringing information with regard to stakeholders into business discussions with 76% indicating a level of 5 and 6. Incumbents have indicated a lower level of involvement in acting as an advocate with a 60% indication of a level of involvement indicated at 4 and below.

Item 19	**Mean (%)**	**Standard deviation (%)**
Dominant coalition	68	14
Incumbents	50	31

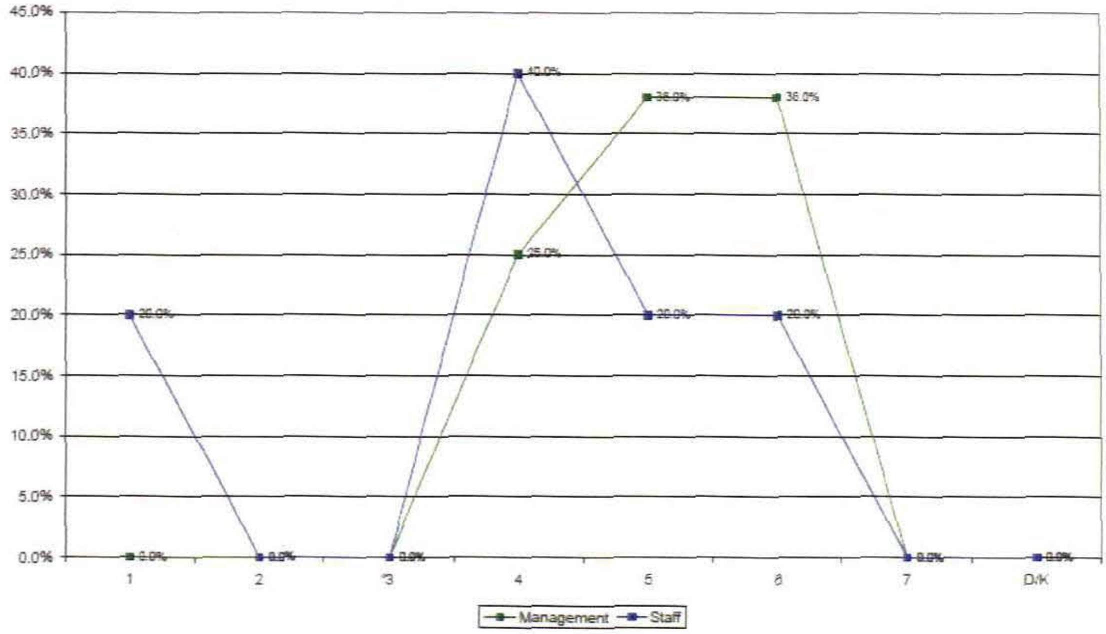


Figure 4.20: Graphic: percentage findings of questionnaire (section B) – Item 19

Item 6 and item 20 dealing with an input in communication strategy and communication plans has a similar indication. There is a high level of expectance from the dominant coalition as to the involvement of their incumbents in strategy and plans; however the level of current input is widespread amongst the various incumbents with a level of input ranging from 1 to 7.

Item 20	Mean (%)	Standard deviation (%)
Dominant coalition	72	9
Incumbents	57	36

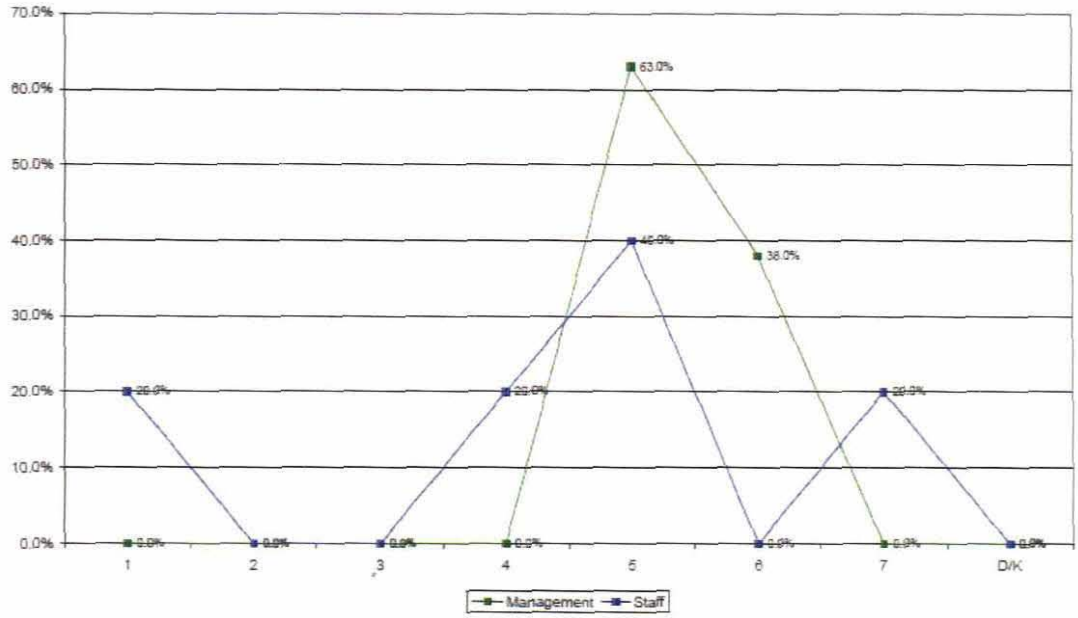


Figure 4.21: Graphic: percentage findings of questionnaire (section B) – Item 20

Item 21 indicates that 60% of the incumbents rate formulating brand essence as a big part of their work outputs; however 89% of the dominant coalition indicates an importance level of 5 and above. The dominant coalition is quite varied on their opinion of the importance of formulating brand essence with indicated importance levels ranging from 4 to 7. This could be an indication of the level of branding the hospitals are involved in or the dominant coalition perceives them to be involved in. Nationally, the brand essence is set, but there is quite a variation of interpretation of brand in the hospitals. This could be due to the variance of opinion of formulating brand essence amongst the dominant coalition.

Item 21	Mean (%)	Standard deviation (%)
Dominant coalition	77	18
Incumbents	53	41

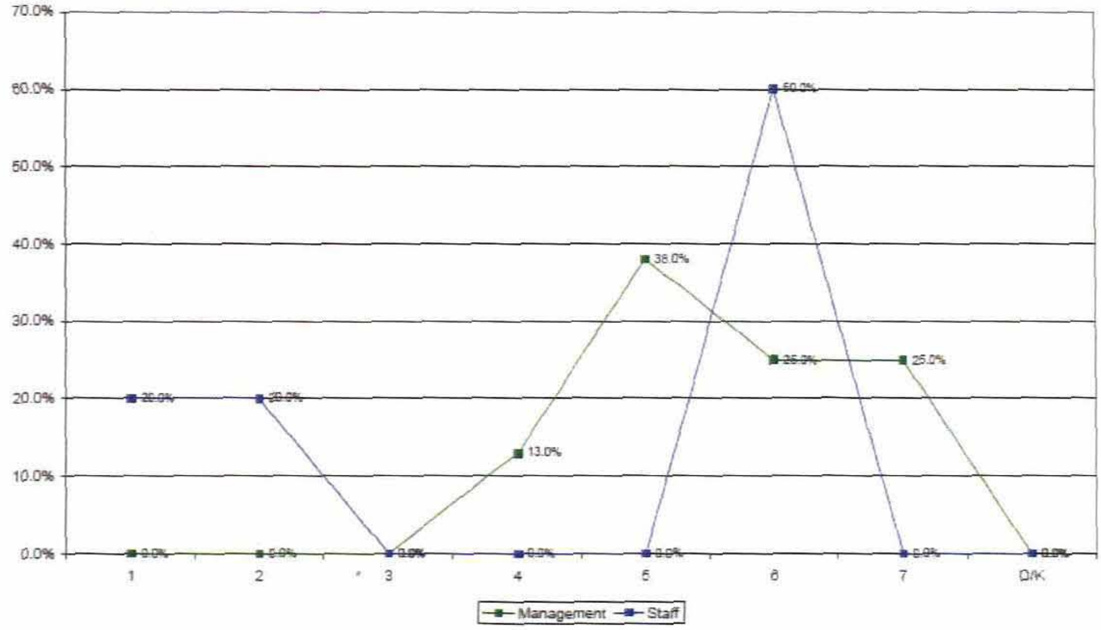


Figure 4.22: Graphic: percentage findings of questionnaire (section B) – Item 21

Item 22 outlines a variation of opinion amongst the dominant coalition and incumbents alike – with 76% of the dominant coalition indicating the importance for incumbents to be involved in communication policy setting with a level of importance ranging from 5 to 7. The rest of the dominant coalition indicated a level of 2 and 4. The situation of what the incumbents are involved in is just as varied with a level of involvement indicated between 1 and 7 with 20% indicating that they didn't know whether they are involved with policy setting or not.

Item 22	Mean (%)	Standard deviation (%)
Dominant coalition	66	25
Incumbents	43	46

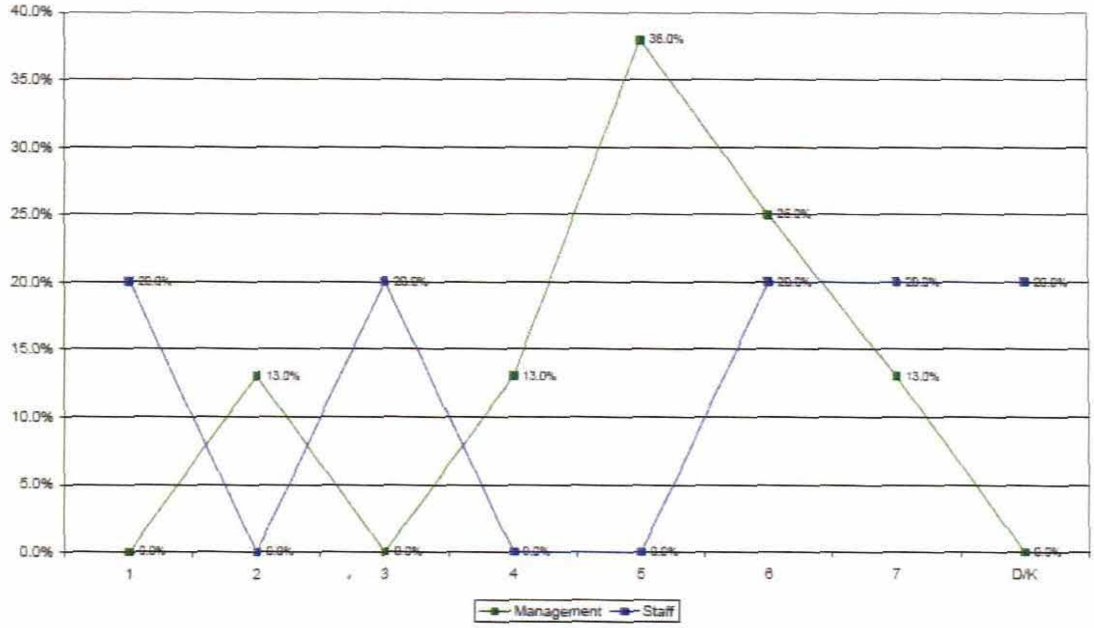


Figure 4.23: Graphic: percentage findings of questionnaire (section B) – Item 22

Item 23 (which is in line with item 7 – customer perspectives) indicates a varied response as to the importance of determining customer attitudes as well as the current execution of determining customer attitudes by incumbents. Incumbents have a varied response with the involvement level indicated from 1 to 7. However, 89% of the dominant coalition view this action as important with and indicated importance level of 5 to 7.

Item 23	Mean (%)	Standard deviation (%)
Dominant coalition	73	20
Incumbents	53	39

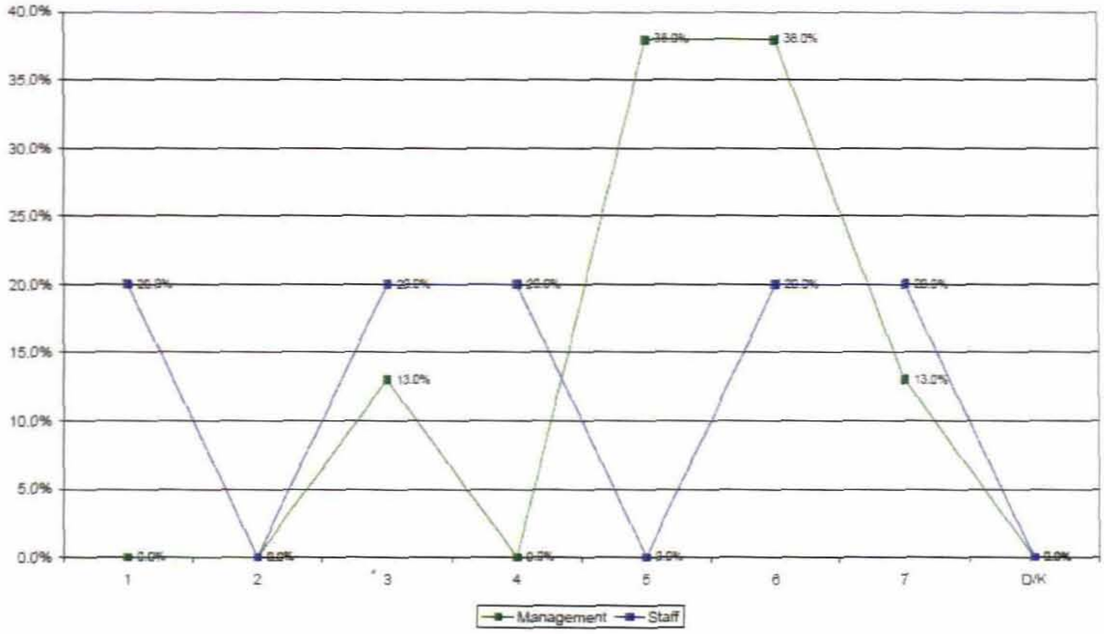


Figure 4.24: Graphic: percentage findings of questionnaire (section B) – Item 23

Item 24 is similar to item 6 (which deals with the implementation of communication strategy) and is an indication of the contribution to top level strategies through the development of marketing strategy. There is a high level of expectance from the dominant coalition as to the involvement of their incumbents; however the level of current input is widespread amongst the various incumbents with a level of input ranging from 2 to 7.

Item 24	Mean (%)	Standard deviation (%)
Dominant coalition	79	12
Incumbents	67	35

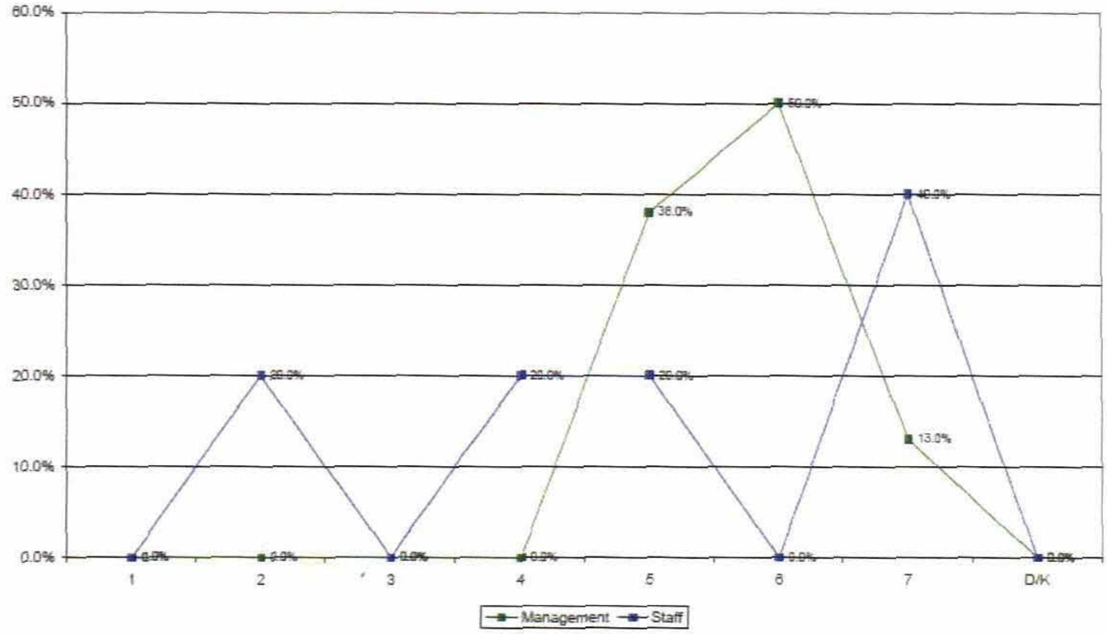


Figure 4.25: Graphic: percentage findings of questionnaire (section B) – Item 24

Item 25 indicates the dominant coalitions feeling towards the level of involvement they would like to see in the decisions regarding the marketing communication mix with 87% of them viewing it as high importance with a level 5 and 6 indicated. 60% of the incumbents feel that they are involved with this task quite extensively with an indication of 5 to 7. 40% of the incumbents are not so involved with an indication level of 1 and 4.

Item 25	Mean (%)	Standard deviation (%)
Dominant coalition	73	18
Incumbents	60	38

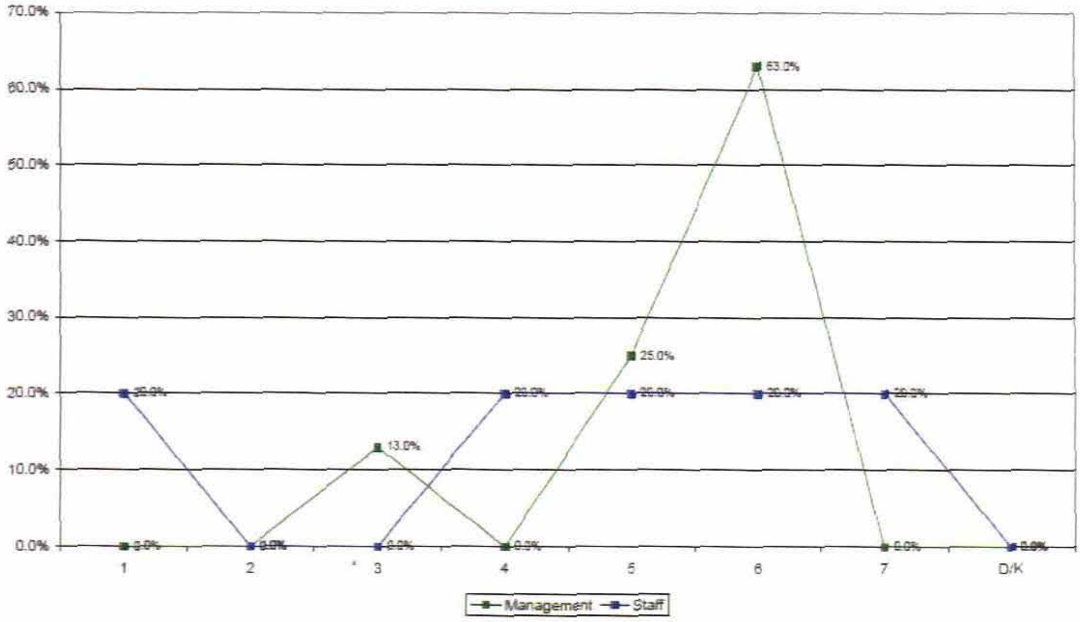


Figure 4.26: Graphic: percentage findings of questionnaire (section B) – Item 25

Item 26 indicates that the dominant coalition would like incumbents to be more involved with and contribute to the group marketing function with 76% indicating an importance level of 5 and 6. However, only 40% of the incumbents have indicated it as a function in which they are highly involved with indicating a level 7. 60% of the incumbents have indicated this as being less important in their scope of work with an indication level of 2 and 4.

Item 26	Mean (%)	Standard deviation (%)
Dominant coalition	68	14
Incumbents	63	36

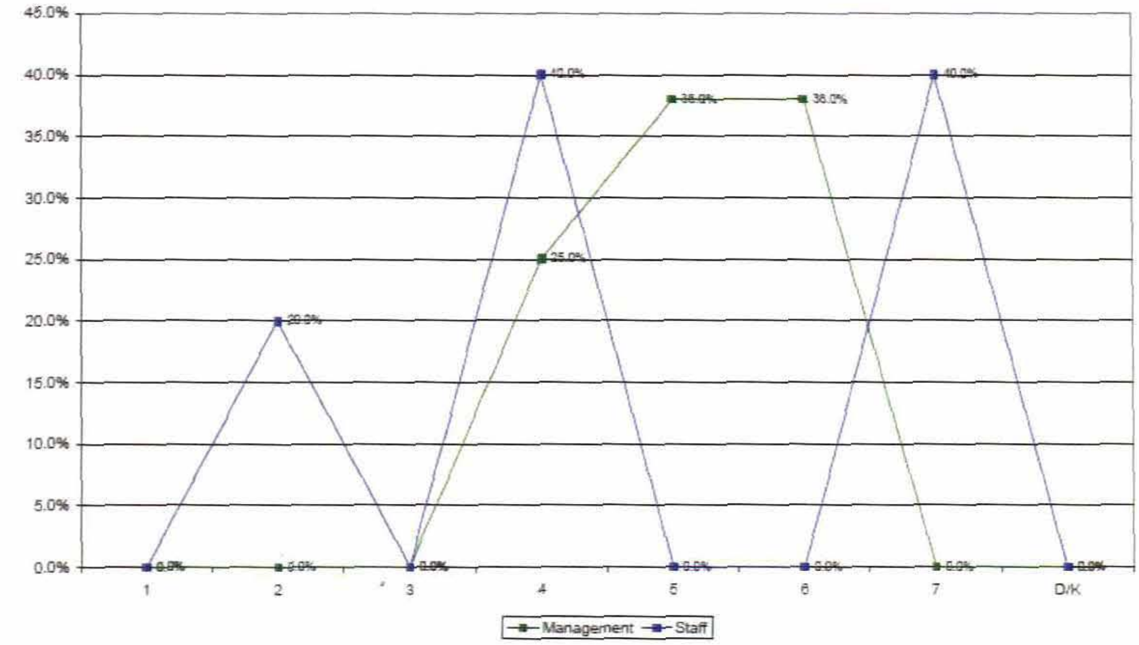


Figure 4.27: Graphic: percentage findings of questionnaire (section B) – Item 26

Item 27 relates to the view of developing themes to be communication to stakeholders encompassing both marketing and public relations type themes. Once again incumbents have a varied involvement in stakeholder related communication with incumbents rating their involvement from 1 (low level of involvement) to 7 (high level of involvement). The majority of the dominant coalition however views this output as important with 88% indicating middle to high level involvement (5 to 7).

Item 27	**Mean (%)**	**Standard deviation (%)**
Dominant coalition	75	16
Incumbents	63	41

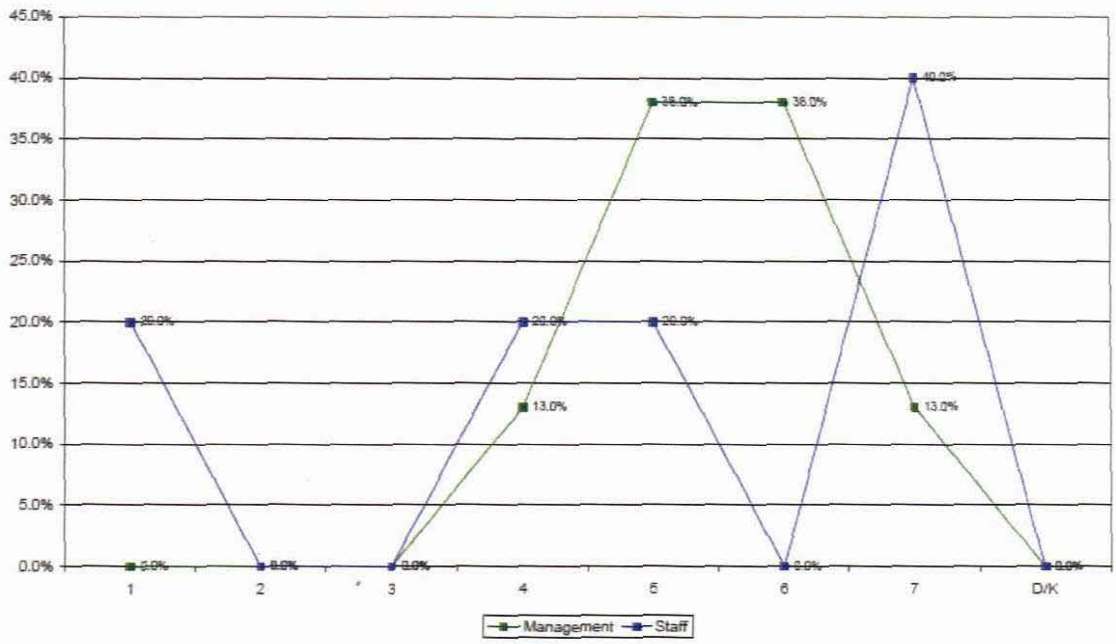


Figure 4.28: Graphic: percentage findings of questionnaire (section B) – Item 27

Item 28 – the dominant coalition views key short-term objectives to achieve marketing goals as of slightly higher importance than key short-term objectives to achieve communication goals (as indicated in item 8) with 88% indicating achieving marketing goals of high level importance (importance level 6 and 7). However only 20% of the incumbents viewed achieving communication goals as an output they are very involved in with an indicated level of 7. With regard to key short-term objectives to achieve marketing goals, 40% of the incumbents indicate a high level of involvement (level 7) – suggesting that the incumbents too view achieving marketing goals as having a slightly higher importance.

Item 28	**Mean (%)**	**Standard deviation (%)**
Dominant coalition	83	15
Incumbents	67	35

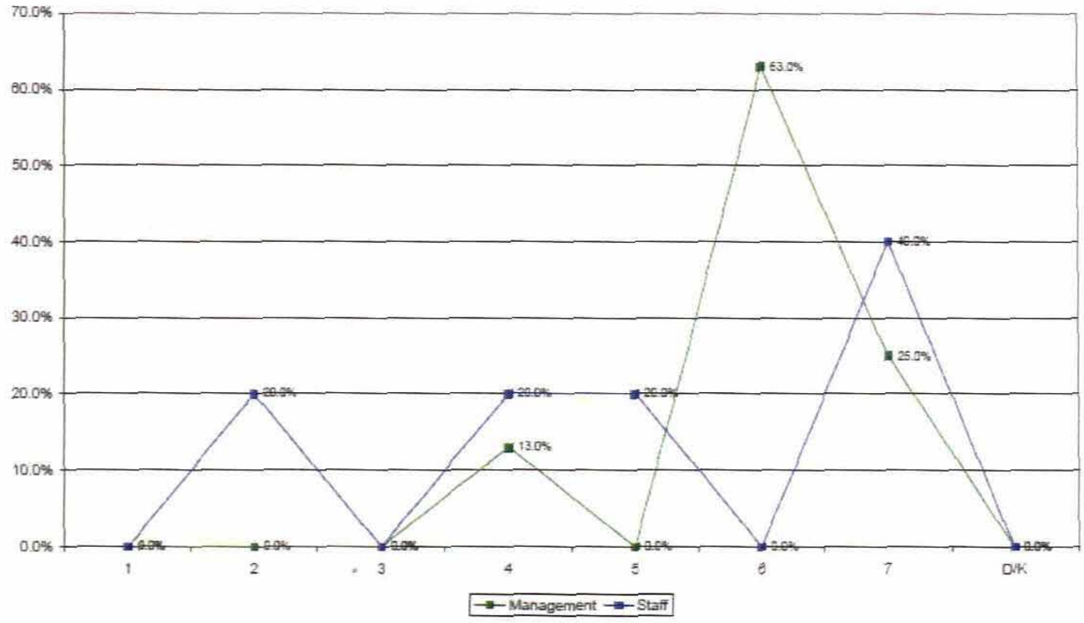


Figure 4.29: Graphic: percentage findings of questionnaire (section B) – Item 28

Item 29 indicates the dominant coalitions need for incumbents to be very involved in marketing strategy with a 100% indicating a level of 5 and above (middle to high importance). However, incumbents have a wide spread perception of their involvement ranging from level 1 to 7.

Item 29	Mean (%)	Standard deviation (%)
Dominant coalition	85	11
Incumbents	63	39

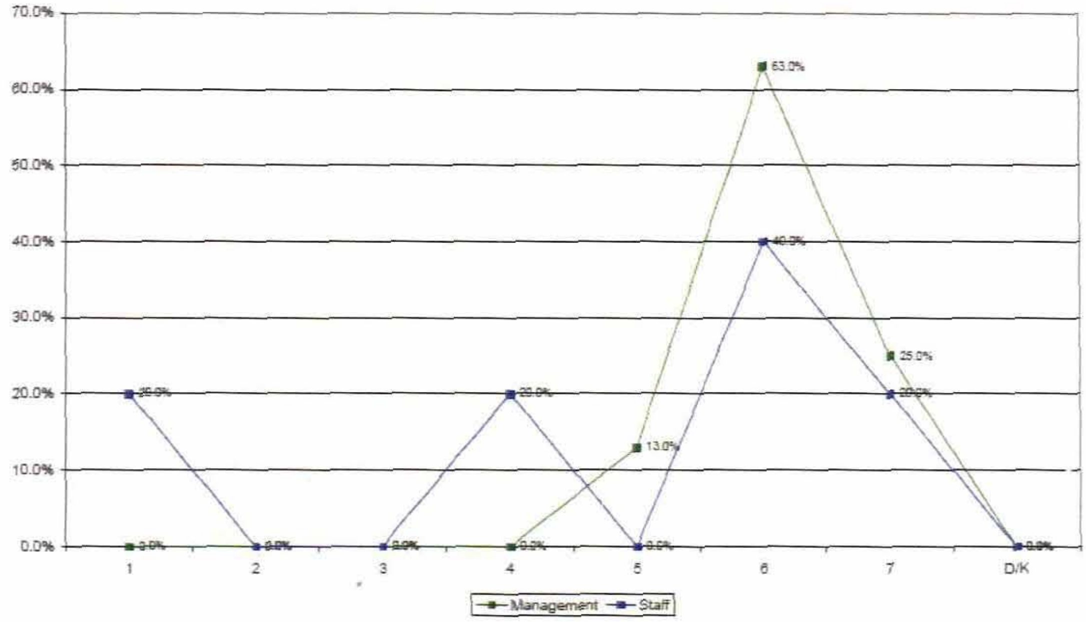


Figure 4.30: Graphic: percentage findings of questionnaire (section B) – Item 29

Item 30 indicates that the dominant coalition views defining approaches to compete in a chosen market as important with a 100% indicating a level of 5 and 6. However, the majority of incumbents (60%) are not so involved in this output with an indication level of between 1 (low involvement) to 4.

Item 30	Mean (%)	Standard deviation (%)
Dominant coalition	81	6
Incumbents	50	35

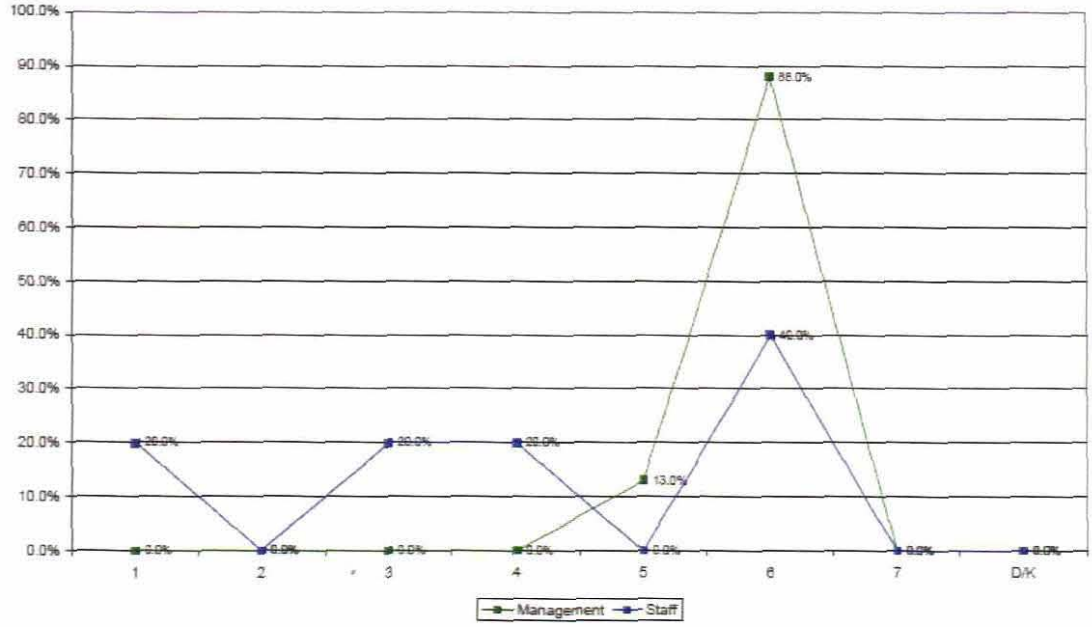


Figure 4.31: Graphic: percentage findings of questionnaire (section B) – Item 30

Item 31 indicates that 100% of the dominant coalition feels that acting as a warning system with regard to marketing trends is important with an indication level of above 5. However, only 40% of the incumbents feel that they are highly involved with an indication level of 5 and 6. What is interesting to note is that 60% of the dominant coalition viewed environmental scanning as very important at a level 7 with only 38% indicating a level 7 for acting as an early warning system for marketing trends (as indicated in item 9).

Item 31	Mean (%)	Standard deviation (%)
Dominant coalition	87	12
Incumbents	37	36

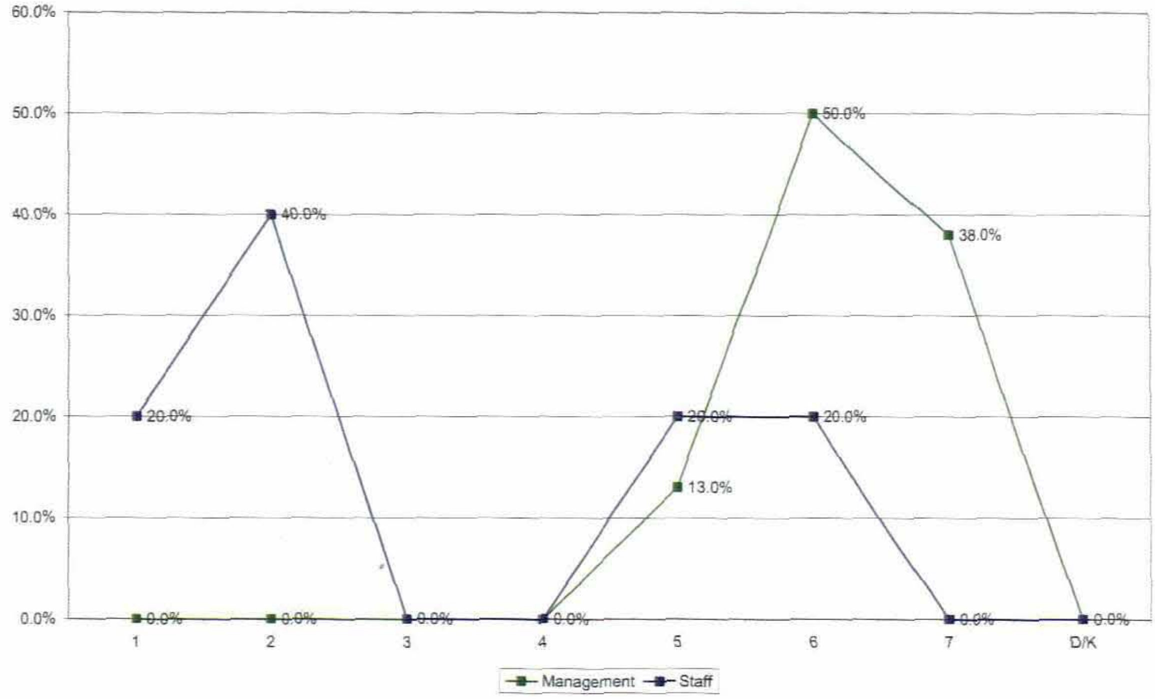


Figure 4.32: Graphic: percentage findings of questionnaire (section B) – Item 31

Item 32 shows that 100% of the dominant coalition view involvement with positioning of the hospital products as important with an indication level of 5 and 6. However, only 20% of the incumbents see their current involvement as important with an indication level of 5. 80% of the incumbents view their current involvement in this output as low with an indication level between 1 and 4.

Item 32	Mean (%)	Standard deviation (%)
Dominant coalition	79	8
Incumbents	40	25

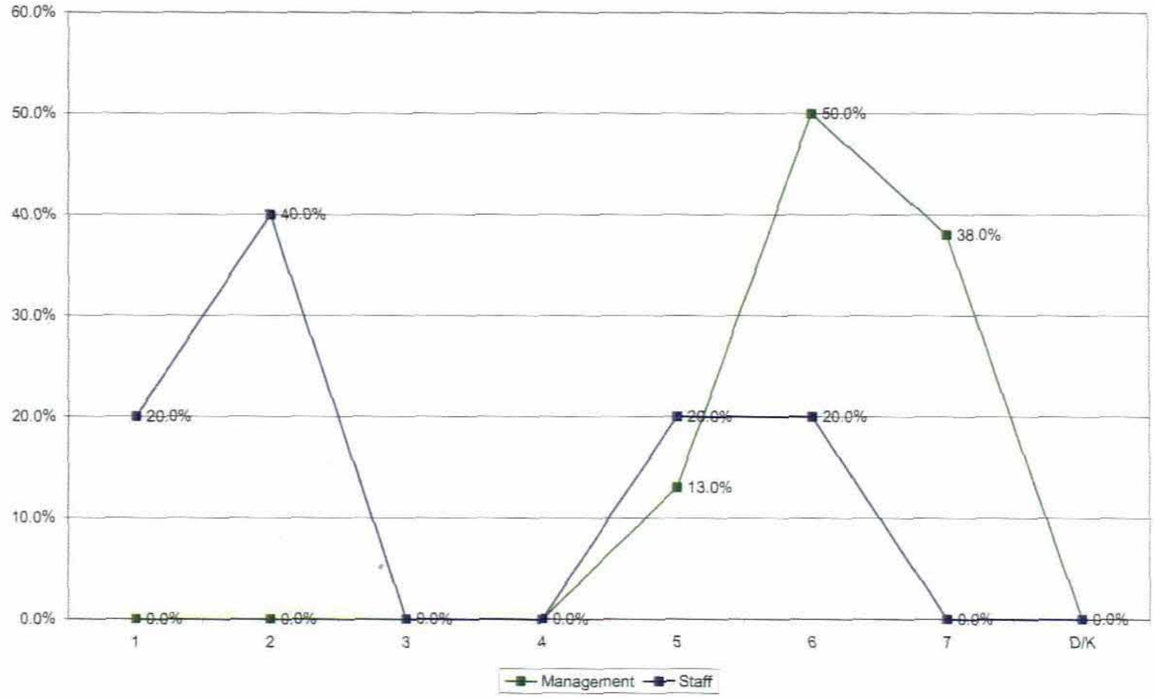


Figure 4.32: Graphic: percentage findings of questionnaire (section B) – Item 31

Item 32 shows that 100% of the dominant coalition view involvement with positioning of the hospital products as important with an indication level of 5 and 6. However, only 20% of the incumbents see their current involvement as important with an indication level of 5. 80% of the incumbents view their current involvement in this output as low with an indication level between 1 and 4.

Item 32	**Mean (%)**	**Standard deviation (%)**
Dominant coalition	79	8
Incumbents	40	25

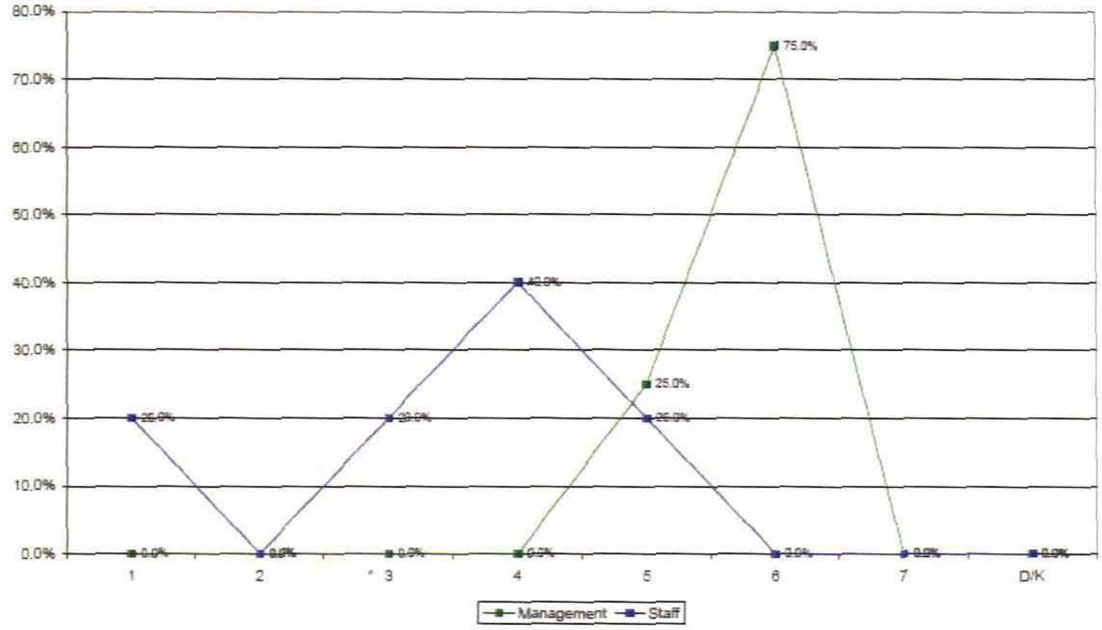


Figure 4.33: Graphic: percentage findings of questionnaire (section B) – Item 32

Item 33 gives an indication of the involvement in building relationships with stakeholders in the value chain such as specialists and referring general practitioners. It is interesting that there is a strong feeling towards this output by the dominant coalition with 100% viewing it as very important with an indicated level of 7 with only 40% of the dominant coalition rating their current involvement at such a high level.

Item 33	Mean (%)	Standard deviation (%)
Dominant coalition	100	0
Incumbents	76	28

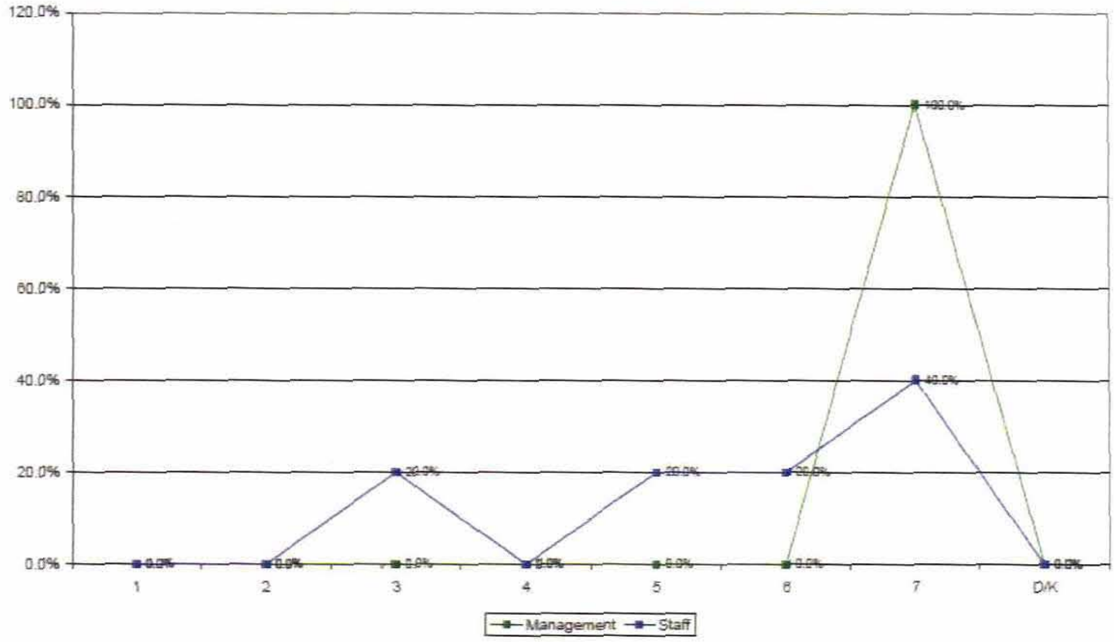


Figure 4.34: Graphic: percentage findings of questionnaire (section B) – Item 33

4.2.5 Findings on section C of the questionnaire: the dominant coalition's view of the relationship constructs in stakeholder management

Tables 4.5 and 4.6 below are the summaries of the statistics which outline the indices which are allocated to being part of relationship constructs as created by Grunig and Hon, 1999 and outlined in chapter 3 of this study (p.72) – as it relates to the dominant coalition's view on what their public relations and marketing personnel's work includes with regard to stakeholder management and relationships. The negative indicators for items 9, 19, 21 and 22 have been reversed.

The mean of means for trust, control mutuality, commitment, satisfaction, communal and exchange relationships is 75% with a standard deviation of 18%. This suggests that the dominant coalition views these relationship outcomes as important for their PR and marketing personnel to achieve with a low standard deviation between the different hospitals. However, each relationship indicator set would need to be viewed separately in order to determine focus and gap analysis for each relationship indicator so that all of them can be equally incorporated into the framework for collaboration between public relations and marketing.

Table 4.5: The mean of means and standard deviation for each relationship indicator as viewed by the dominant coalition

Relationship indicator	N	Mean of means %	Standard deviation %
Trust	8	77	16
Control mutuality	8	78	18
Commitment	8	87	14
Satisfaction	8	82	17
Communal relationships	8	75	17
Exchange relationships	8	47	26

Judging by the overall mean of means with regard to the various indicators which are fundamental to a successful relationship, it is good that the dominant coalition views these indicators as important to strive for in the realm of work delivered by the public relations and marketing incumbents. However, they do add more weight to certain relationship indicators such as commitment (mean of means: 87%) and satisfaction (mean of means: 82%) with a slightly lower importance added to indicators such as trust (mean of means: 77%) and control mutuality (mean of means: 78%). All these indicators have a low standard deviation of between 14% and 17%.

It is interesting to note that, within the set of relationship indicators the dominant coalition has viewed communal relationships and exchange relationships as the least important of all elements of relationships with a mean of means of 75% and a low standard deviation of 17% for communal relationships (more public relations focussed) and 47% for exchange relationships (more marketing focussed) with a higher standard deviation of 26%. This is on par with the outcomes of Section B of the research study where the dominant coalition viewed public relations as of more importance than marketing.

Table 4.6: Contribution to relationships in stakeholder management – the dominant coalition's view on what their public relations and marketing personnels' work includes with regard to stakeholder management and relationships

Construct: relationship indicator	Item	N	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Standard deviation
Trust	1 To treat stakeholders fairly and justly.	8	0	0	**13**	**50**	**38**	81	18
	2 To be concerned about the affect the organisation's decisions has on stakeholders.	8	0	0	0	**63**	**38**	84	13
	3 To show that this organisation can be relied on to keep its promises.	8	0	0	0	**63**	**38**	84	13
	4 To show that this organisation takes the opinions of stakeholders into account when making decisions.	8	0	0	0	**88**	**13**	78	9
	5 To show the organisation's skills.	8	0	**25**	**25**	**38**	**13**	59	27
	6 To show that the organisation has the ability to accomplish what it says it will do.	8	0	0	**13**	**50**	**38**	81	18
Control mutuality	7 To ensure that the organisation and stakeholders are attentive to what each other say.	8	0	**13**	0	**63**	**25**	75	23
	8 To show that this organisation believes that the opinions of stakeholders are legitimate.	8	0	0	**13**	**63**	**25**	78	16
	9 To throw the organisation's weight around in dealing with stakeholders. (reversed)	8	0	**13**	0	**63**	**25**	75	23
	10 To make sure the organisation really listens to what stakeholders have to say.	8	0	0	0	**63**	**38**	84	13
Commitment	11 To convey the feeling that the organisation is trying to maintain a long-term commitment to stakeholders.	8	0	0	0	**25**	**75**	94	12
	12 To show that the organisation wants to maintain a relationship with stakeholders.	8	0	0	0	**38**	**63**	91	13
	13 To show that there is a long-lasting bond between the organisation and stakeholders.	8	0	0	**13**	**50**	**38**	81	18
	14 To show that the organisation, values their relationship with stakeholders.	8	0	0	0	**63**	**38**	84	13
Satisfaction	15 To assist in making sure that stakeholders are happy with the organisation.	8	0	0	0	**75**	**25**	81	12
	16 To assist in making sure that both the organisation and stakeholders benefit from the relationship.	8	0	**13**	0	**50**	**38**	78	25
	17 To assist in making sure that most stakeholders are happy in their interactions with the organisation.	8	0	0	**13**	**50**	**38**	81	18
	18 To generally make sure that stakeholders are pleased with the relationship the organisation has established with stakeholders.	8	0	0	0	**50**	**50**	88	13
Communal relationship	19 This organisation does not especially enjoy giving others aid. (reversed)	8	0	0	0	**63**	**36**	84	13
	20 This organisation is very concerned about the welfare of stakeholders.	8	0	**13**	**50**	**25**	**13**	59	23
	21 This organisation takes advantage of people who are vulnerable. (reversed)	8	0	0	**13**	**63**	**25**	78	16
	22 I think that this organisation succeeds by stepping on other people. (reversed)	8	0	0	**13**	**50**	**38**	81	18
Exchange relationship	23 Whenever this organisation gives or offers something to stakeholders, it generally expects something in return.	8	**13**	**25**	**13**	**50**	0	50	30
	24 Even though stakeholders have had a relationship with this organisation for a long time, it still expects something in return whenever it offers them a favour.	8	**13**	**25**	**25**	**38**	0	47	28
	25 This organisation will compromise with stakeholders when it knows that it will gain something.	8	**13**	**38**	**38**	**13**	0	38	23
	26 This organisation takes care of people who are likely to reward the organisation.	8	0	**25**	**50**	**13**	**13**	53	25

4.2.6 Findings on section C of the questionnaire: the incumbents' contribution to relationship constructs in stakeholder management

Tables 4.7 and 4.8 (p.127) below are the summaries of the statistics which outline the indices which are allocated to being part of the constructs used to measure relationships as created by Grunig and Hon (1999) and outlined in chapter 3 of this study (p.72) – as it relates to the public relations and marketing incumbents' view of what their work includes. The negative indicators for items 9, 19, 21 and 22 have been reversed.

The mean of means for trust, control mutuality, commitment, satisfaction, communal and exchange relationships is 78% with a standard deviation of 19%. This suggests that incumbents view achieving these relationship outcomes in their work as important (in other words most indications fit in the 'agree' and 'strongly agree' bracket) with a low variation between the different hospitals. However, each relationship indicator set would need to be viewed separately in order to determine focus and gap analysis for each relationship indicator so that all of them can be equally incorporated into the framework for collaboration between public relations and marketing.

Table 4.7: The mean of means and standard deviation for each relationship indicator as viewed by the public relations and marketing incumbents

Relationship indicator	N	Mean of means %	Standard deviation %
Trust	5	88	13
Control mutuality	5	73	21
Commitment	5	85	15
Satisfaction	5	78	15
Communal relationships	5	78	15
Exchange relationships	5	48	31

Judging by the overall mean of means with regard to the various indicators which are fundamental to a successful relationship, it is good that the public relations and marketing incumbents view these indicators as important to strive for in the realm of their work. However, they do add more weight to certain relationship indicators such as commitment (mean of means: 85%) and trust (mean of means: 88%) with a slightly lower importance added to indicators such as satisfaction and communal relationships (mean of means: 78%). All these indicators have a low standard deviation of between 13% and 15%. Within the set of relationship indicators the incumbents have viewed control mutuality and exchange relationships as the least important of all elements of relationships with a mean of means of 73% and a higher deviation of 21% for control mutuality and a mean of means of 48% for exchange relationships (more marketing focussed) with a higher standard deviation of 31%. This is on par with the outcomes of Section B of the research study where the incumbents viewed public relations as of more importance than marketing.

Table 4.8: Contribution to relationships in stakeholder management – incumbents' view on what their work includes with regard to stakeholder management and relationships

Construct: relationship indicator	Item	N	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Standard deviation
Trust	1 To treat stakeholders fairly and justly.	5	0	0	0	**40**	**60**	90	14
	2 To be concerned about the affect the organisation's decisions has on stakeholders.	5	0	0	0	**60**	**40**	85	14
	3 To show that this organisation can be relied on to keep its promises.	5	0	0	0	**20**	**80**	95	11
	4 To show that this organisation takes the opinions of stakeholders into account when making decisions.	5	0	0	0	**80**	**20**	80	11
	5 To show the organisation's skills.	5	0	0	0	**40**	**60**	90	14
	6 To show that the organisation has the ability to accomplish what it says it will do.	5	0	0	0	**40**	**60**	90	14
Control mutuality	7 To ensure that the organisation and stakeholders are attentive to what each other say.	5	0	0	0	**80**	**20**	80	11
	8 To show that this organisation believes that the opinions of stakeholders are legitimate.	5	0	**20**	**20**	**60**		60	22
	9 To throw the organisation's weight around in dealing with stakeholders. (reversed)	5	**20**	0	0	**60**	**20**	65	37
	10 To make sure the organisation really listens to what stakeholders have to say.	5	0	0	0	**40**	**60**	90	14
Commitment	11 To convey the feeling that the organisation is trying to maintain a long-term commitment to stakeholders.	5	0	0	0	**40**	**60**	90	14
	12 To show that the organisation wants to maintain a relationship with stakeholders.	5	0	0	0	**40**	**60**	90	14
	13 To show that there is a long-lasting bond between the organisation and stakeholders.	5	0	0	0	**60**	**40**	85	14
	14 To show that the organisation, values their relationship with stakeholders.	5	0	0	**20**	**60**	**20**	75	18
Satisfaction	15 To assist in making sure that stakeholders are happy with the organisation.	5	0	0	**20**	**60**	**20**	75	18
	16 To assist in making sure that both the organisation and stakeholders benefit from the relationship.	5	0	0	0	**60**	**40**	85	14
	17 To assist in making sure that most stakeholders are happy in their interactions with the organisation.	5	0	0	**20**	**60**	**20**	75	18
	18 To generally make sure that stakeholders are pleased with the relationship the organisation has established with stakeholders.	5	0	0	0	**80**	**20**	80	11
Communal relationship	19 This organisation does not especially enjoy giving others aid. (reversed)	5	0	0	**20**	**60**	**20**	75	18
	20 This organisation is very concerned about the welfare of stakeholders.	5	0	0	0	**80**	**20**	80	11
	21 This organisation takes advantage of people who are vulnerable. (reversed)	5	0	0	0	**60**	**40**	85	14
	22 I think that this organisation succeeds by stepping on other people. (reversed)	5	0	0	**20**	**60**	**20**	75	18
Exchange relationship	23 Whenever this organisation gives or offers something to stakeholders, it generally expects something in return.	5	**20**	**40**	**20**	**20**	0	35	28
	24 Even though stakeholders have had a relationship with this organisation for a long time, it still expects something in return whenever it offers them a favour.	5	**20**	**20**	**40**	**20**	0	40	28
	25 This organisation will compromise with stakeholders when it knows that it will gain something.	5		**40**	**20**	**20**	**20**	55	33
	26 This organisation takes care of people who are likely to reward the organisation.	5	**20**	0	0	**60**	**20**	65	37

4.2.7 Findings on section C of the questionnaire: comparison between the dominant coalition's view and incumbents' involvement per relationship construct

Overall, the mean of means for trust, control mutuality, commitment, satisfaction, communal and exchange relationships is 78% with a standard deviation of 19% as viewed by the incumbents suggesting that the achieving of these relationship outcomes in their work is important with a low variation of answers between the different hospitals. The mean of means for trust, control mutuality, commitment, satisfaction, communal and exchange relationships is 75% with a standard deviation of 18% for the dominant coalition – this means that they view these outcomes as of slightly less importance than what the incumbents are currently incorporating it into their outputs. However, each relationship indicator set would need to be viewed separately in order to determine focus and gap analysis for each relationship indicator so that all of them can be equally incorporated into the framework for collaboration between public relations and marketing (Grunig & Hon, 1999: 20-21).

Items 1 to 6 test the relationship indicator – trust. Trust refers to one party's willingness and confidence to open themselves to the other party. There are three dimensions which are integral in establishing trust with stakeholders. They are: *integrity* (measured by item 1 and 2) – to create the belief that the organisation is fair and just; *dependability* (measured by item 3 and 4) – to show that the organisation will deliver on the promises they make; and *competence* (measured by item 5 and 6) – to create the belief and show that the organisation has the ability to deliver on their promises (Grunig & Hon, 1999:3).

In item 1, both the dominant coalition and incumbents show a low standard deviation, and although both these two parties view the dimension of integrity within the relationship indicator of trust as important, the incumbents put a slightly higher emphasis on portraying trust than what the dominant coalition does.

Item 1	Mean (%)	Standard deviation (%)
Dominant coalition	81	18
Incumbents	90	14

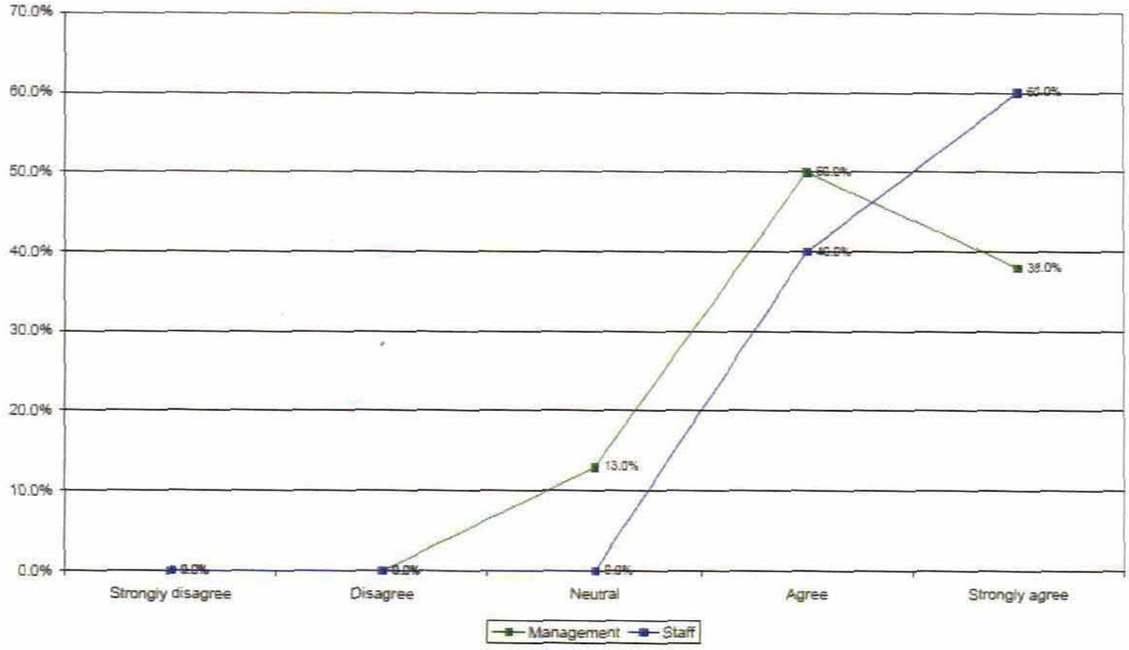


Figure 4.35: Graphic: percentage findings of questionnaire (section C) – Item 1

Item 2 – both the dominant coalition and incumbents place a similar high importance on portraying integrity with regard to being concerned about the affect the organisations' decisions will have on their stakeholders, which will lead to trust within this relationship.

Item 2	Mean (%)	Standard deviation (%)
Dominant coalition	84	13
Incumbents	85	14

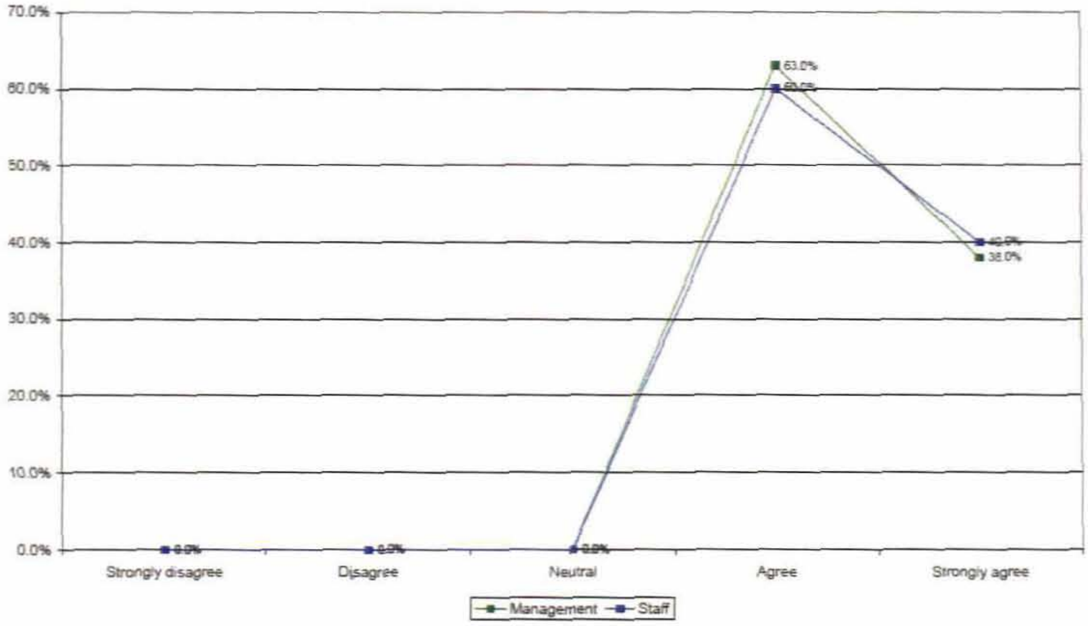


Figure 4.36: Graphic: percentage findings of questionnaire (section C) – Item 2

It is interesting to note that in dependability (item 3 and 4) as part of the dimension of trust, the dominant coalition places importance on showing that the organisation can be relied on to keep its promises, but indicates that showing that the organisation takes the stakeholders' opinions into account when making decisions as less important. The incumbents view it as very important to show that the organisation can be relied on to keep its promises, but similar to the dominant coalition indicates that showing that the organisation takes their stakeholders' opinions into account when making decisions as less important.

Item 3	Mean (%)	Standard deviation (%)
Dominant coalition	84	13
Incumbents	95	11

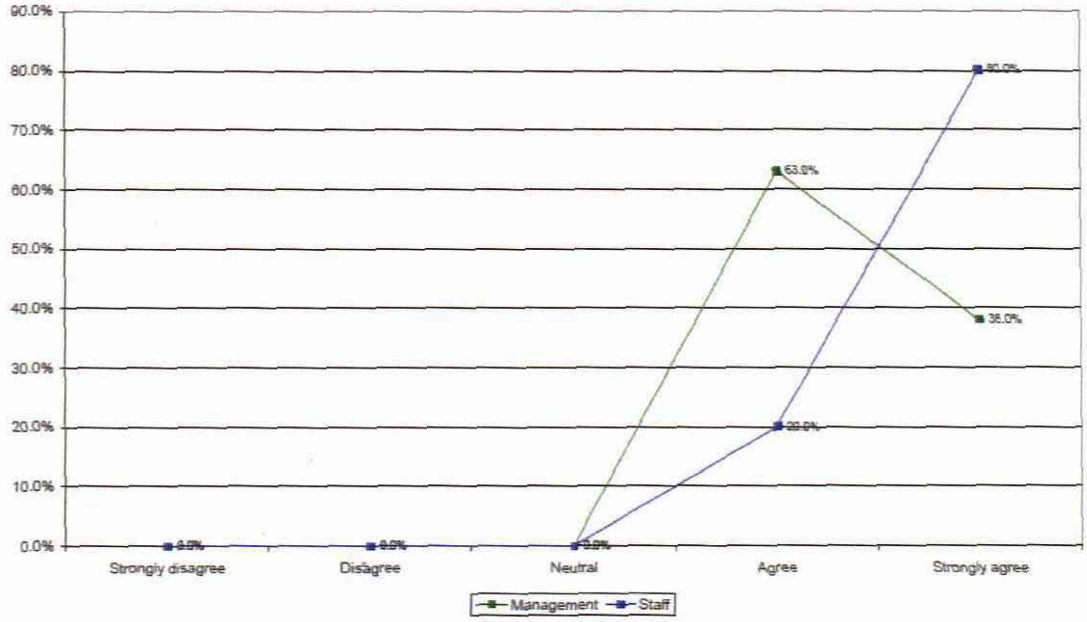


Figure 4.37: Graphic: percentage findings of questionnaire (section C) – Item 3

Item 4	**Mean (%)**	**Standard deviation (%)**
Dominant coalition	78	9
Incumbents	80	11

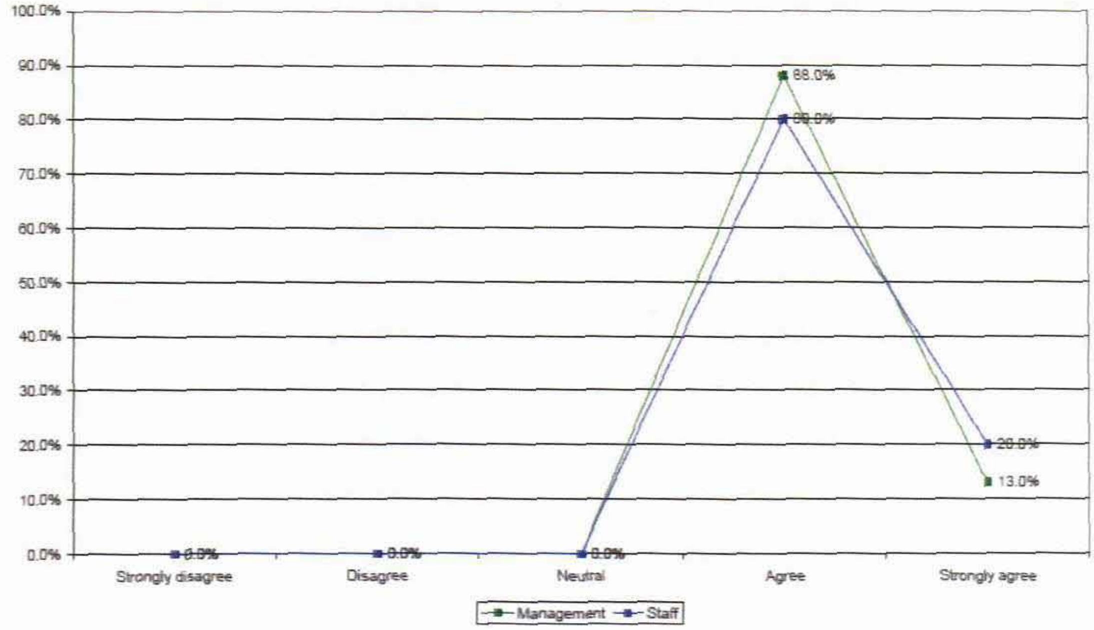


Figure 4.38: Graphic: percentage findings of questionnaire (section C) – Item 4

Items 5 and 6 indicate the importance placed on competence, as a dimension of creating trust in stakeholder relationships, by the dominant coalition and incumbents. It is interesting to note that in terms of showing the organisations skills, the dominant coalition places far less emphasis on showing the organisation's competence. The incumbents place far more importance on this aspect of relationship building. In terms of portraying competence with regard to creating the notion that the organisation can accomplish what it says it will do, both the dominant coalition and incumbents indicate that it is fairly important.

Item 5	Mean (%)	Standard deviation (%)
Dominant coalition	59	27
Incumbents	90	14

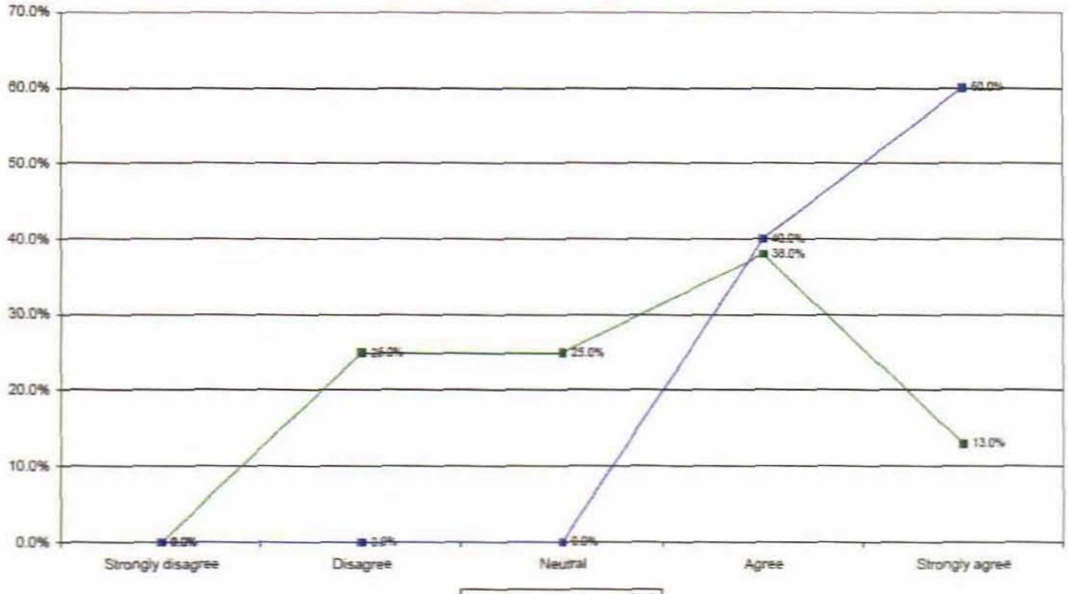


Figure 4.39: Graphic: percentage findings of questionnaire (section C) – Item 5

Item 6	Mean (%)	Standard deviation (%)
Dominant coalition	81	18
Incumbents	90	14

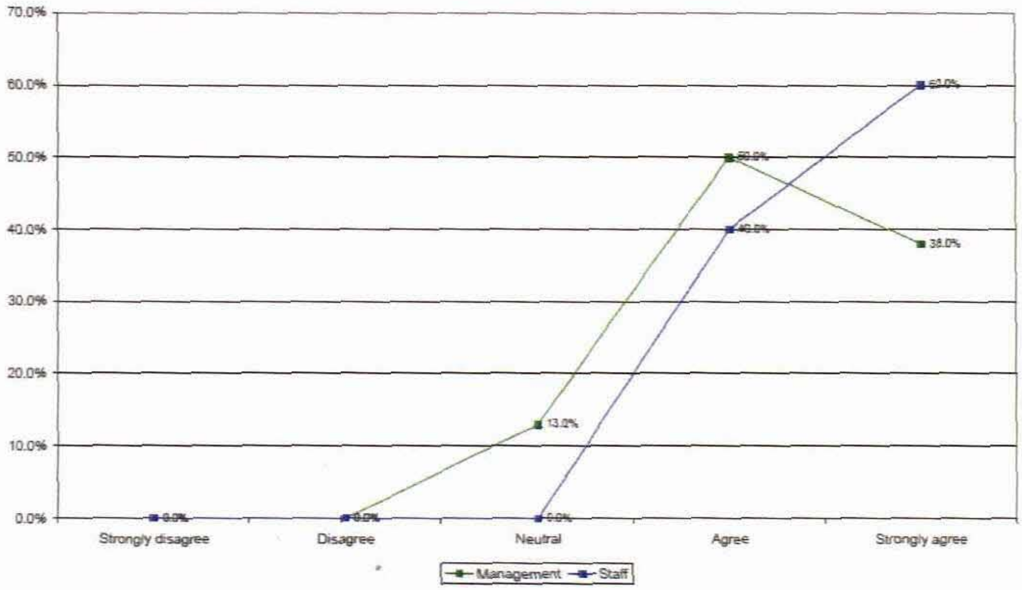


Figure 4.40: Graphic: percentage findings of questionnaire (section C) – Item 6

Items 7 to 10 test the relationship indicator – control mutuality. "Control mutuality is the degree to which parties agree on who has the rightful power to influence one another" (Grunig and Hon, 1999:3). It is normal to have an imbalance, but essential to show that the organisation is willing to share the power for their stakeholders in order to create a stable relationship.

In terms of showing that the organisation is attentive to what stakeholder parties say (item 7), both the dominant coalition and incumbents view it as fairly important, however the incumbents place a slightly higher emphasis on it than the dominant coalition.

Item 7	**Mean (%)**	**Standard deviation (%)**
Dominant coalition	75	23
Incumbents	80	11

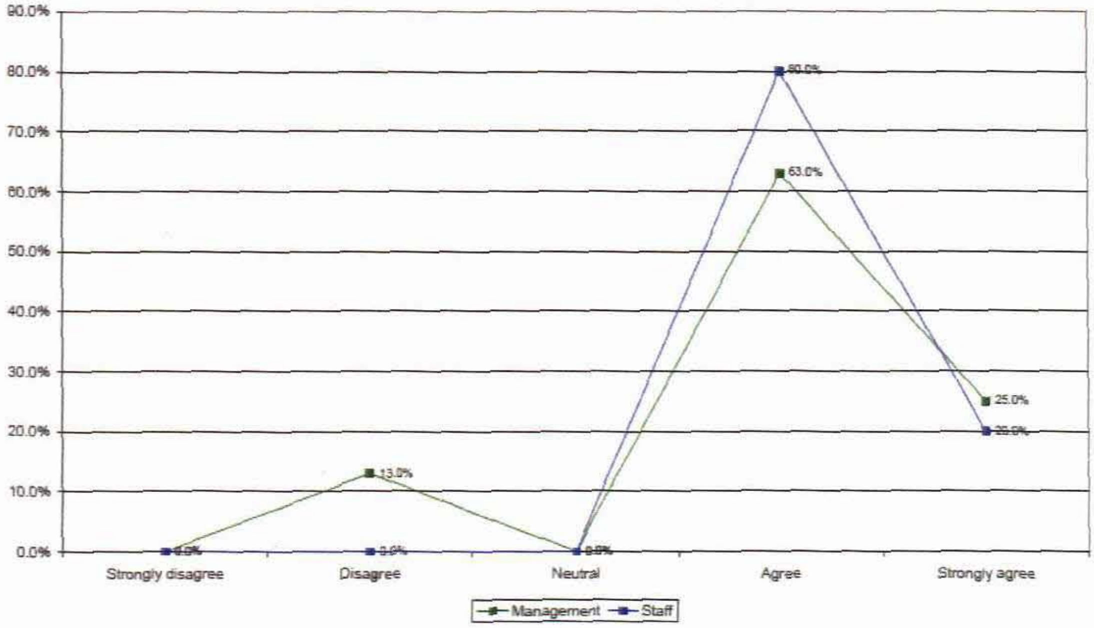


Figure 4.41: Graphic: percentage findings of questionnaire (section C) – Item 7

Item 8 shows that although the incumbents view it as important to ensure that the organisation and stakeholders are attentive to what each other say, they view showing the belief that the opinions of stakeholders are legitimate as less important. The dominant coalition however places a higher importance on this aspect.

Item 8	Mean (%)	Standard deviation (%)
Dominant coalition	78	16
Incumbents	60	22

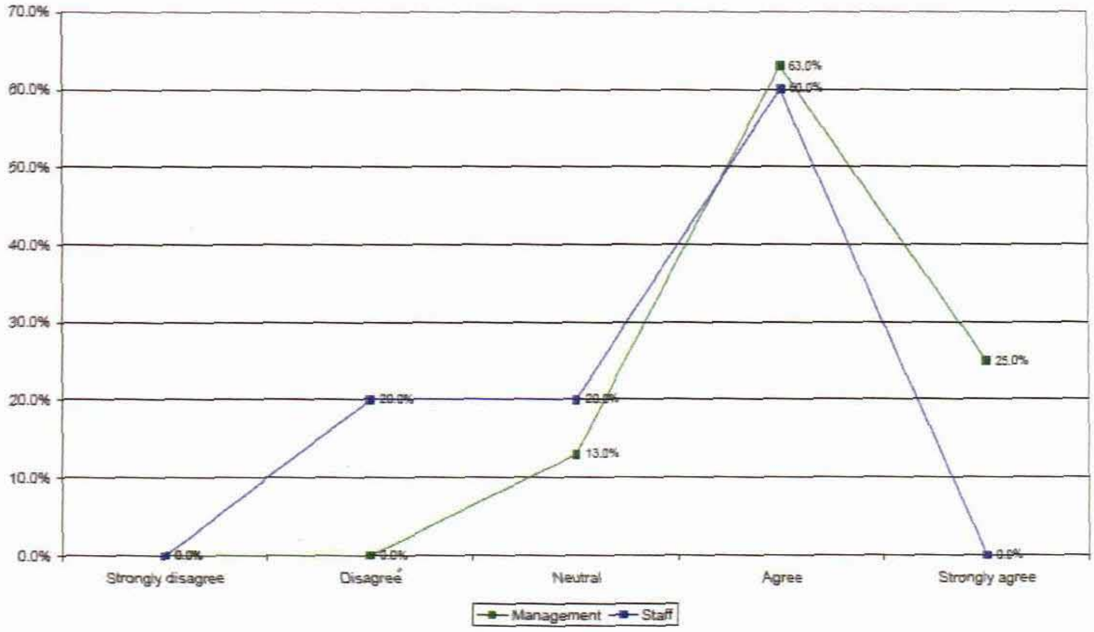


Figure 4.42: Graphic: percentage findings of questionnaire (section C) – Item 8

The negative indicators in item 9 have been reversed. This item also supports the relationship indicator of control mutuality. In this instance, the dominant coalition views it as important that the organisation should not show that they throw their weight around when dealing with stakeholders. However, the incumbents found portraying this aspect as slightly less important within the realm of control mutuality.

Item 9	**Mean (%)**	**Standard deviation (%)**
Dominant coalition	75	23
Incumbents	65	37

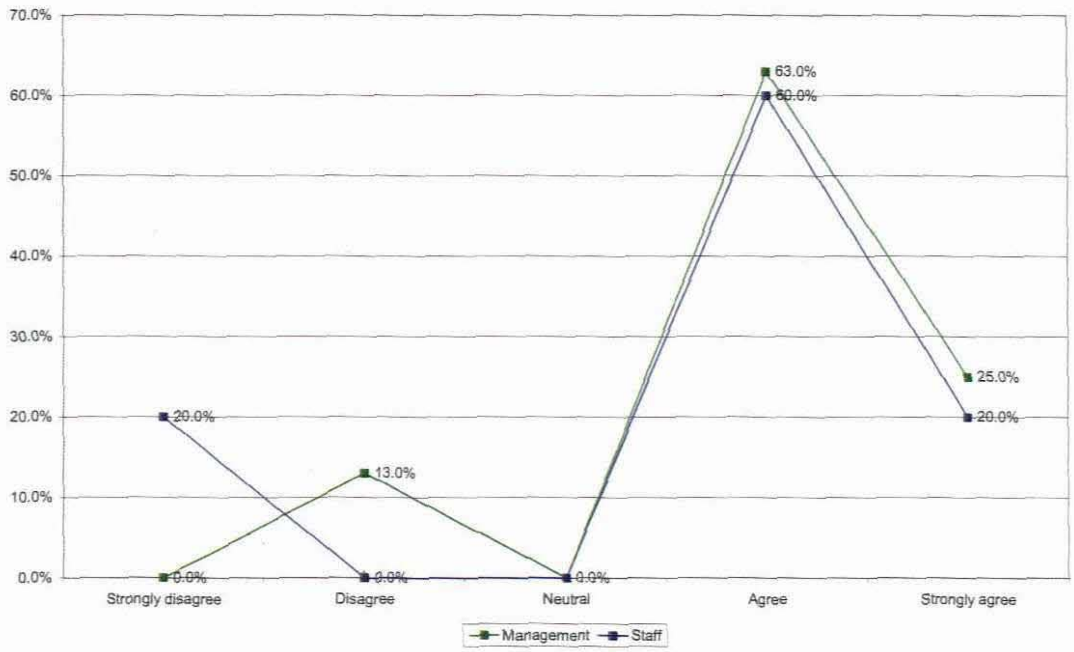


Figure 4.43: Graphic: percentage findings of questionnaire (section C) – Item 9

In item 7 in terms of showing that the organisation is attentive to what stakeholder parties say, both the dominant coalition (mean: 75%) and incumbents view it as fairly important, however the incumbents (mean: 80%) place a slightly higher emphasis on it than the dominant coalition. Therefore, it is interesting to note that both these parties indicated that listening to what stakeholders have to say (item 10) is of higher importance. In other words, it could be an indication that although they find listening to the stakeholders as important, they are not necessarily going to pay special attention to it or take it into consideration, which could be an indication that they view the organisation as having more power over the stakeholders than the stakeholders do over them.

Item 10	Mean (%)	Standard deviation (%)
Dominant coalition	84	13
Incumbents	90	14

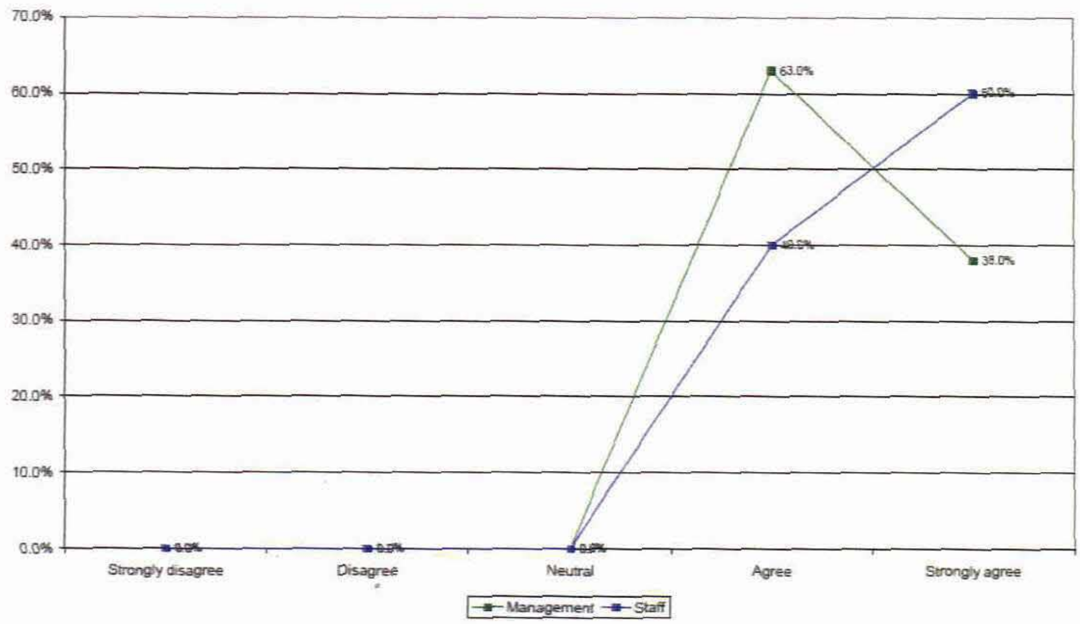


Figure 4.44: Graphic: percentage findings of questionnaire (section C) – Item 10

Items 11 to 14 test the relationship indicator – commitment. This relationship indicator can be described as the extent to which each party believes and feels that it is worth spending time on the relationship in order to maintain it (Grunig & Hon, 1999:3). There are two dimensions within the commitment relationship indicator which leads to strong relationships, namely: *continuance commitment* – this refers to a specific action taken in order to show commitment and *affective commitment* – which refers to an emotional orientation within the scope of creating and maintaining the relationship.

Both the dominant coalition and the incumbents view it as very important to show that the organisation is prepared/trying to make (item 11) and maintain (item 12) a long term commitment to their stakeholders.

Item 11	**Mean (%)**	**Standard deviation (%)**
Dominant coalition	94	12
Incumbents	90	14

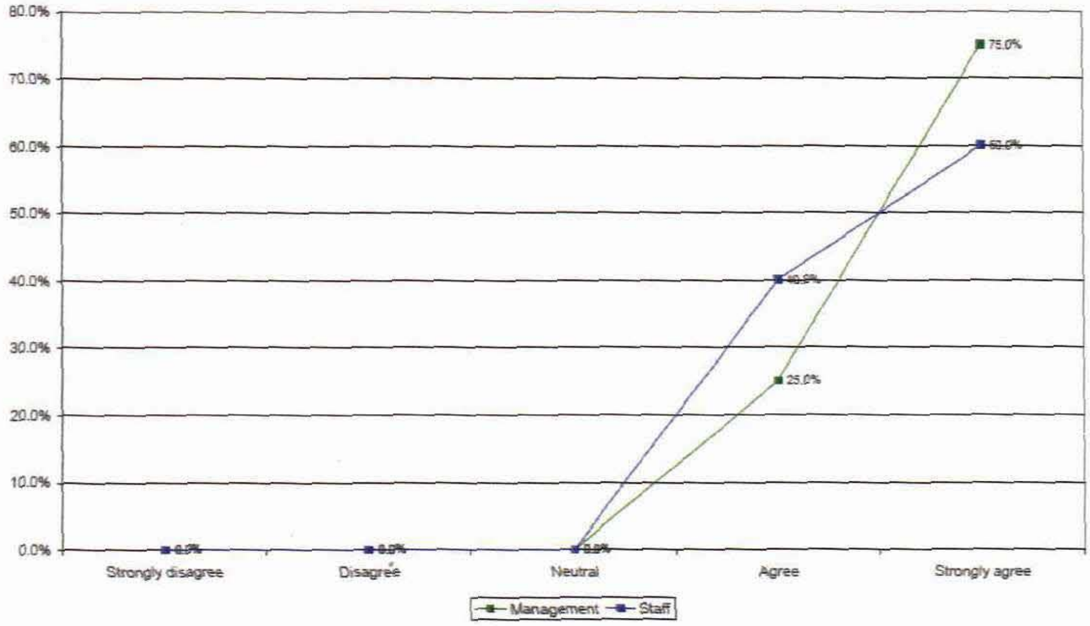


Figure 4.45: Graphic: percentage findings of questionnaire (section C) – Item 11

Item 12	Mean (%)	Standard deviation (%)
Dominant coalition	91	13
Incumbents	90	14

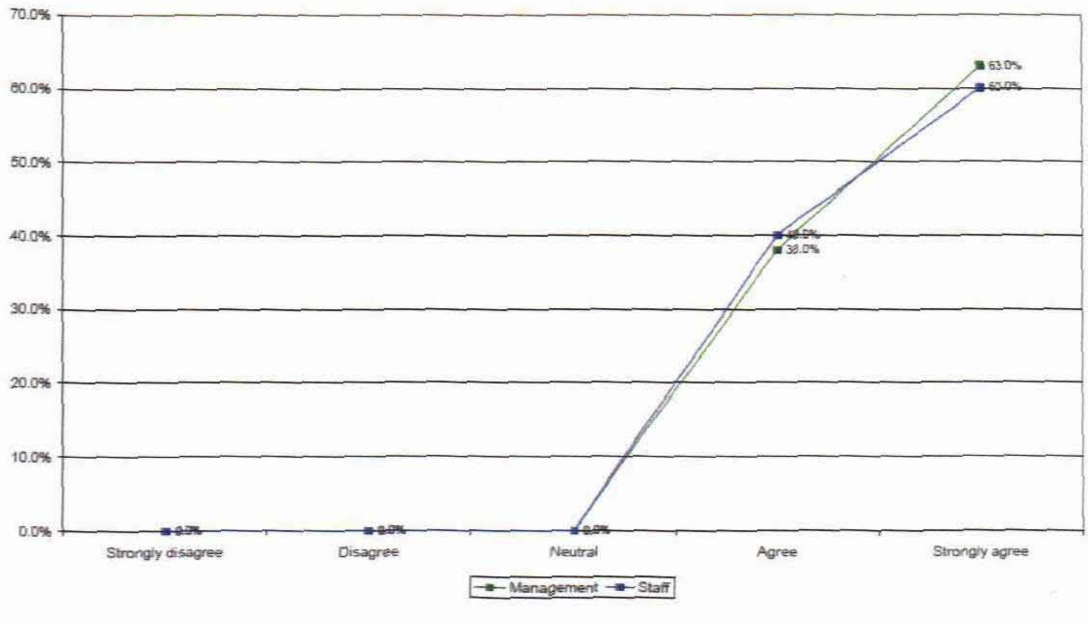


Figure 4.46: Graphic: percentage findings of questionnaire (section C) – Item 12

The dominant coalition place emphasis on showing that there is a bond (item 13) between the organisation and their stakeholders and that they value (item 14) the relationship. The incumbents however view that showing that they value (item 14) the relationship is of slightly less importance than showing that they have a bond (item 13) with stakeholders. However, both the dominant coalition and incumbents view it as slightly less important to showing that they want to create and maintain relationships with stakeholders.

Item 13	**Mean (%)**	**Standard deviation (%)**
Dominant coalition	81	18
Incumbents	85	14

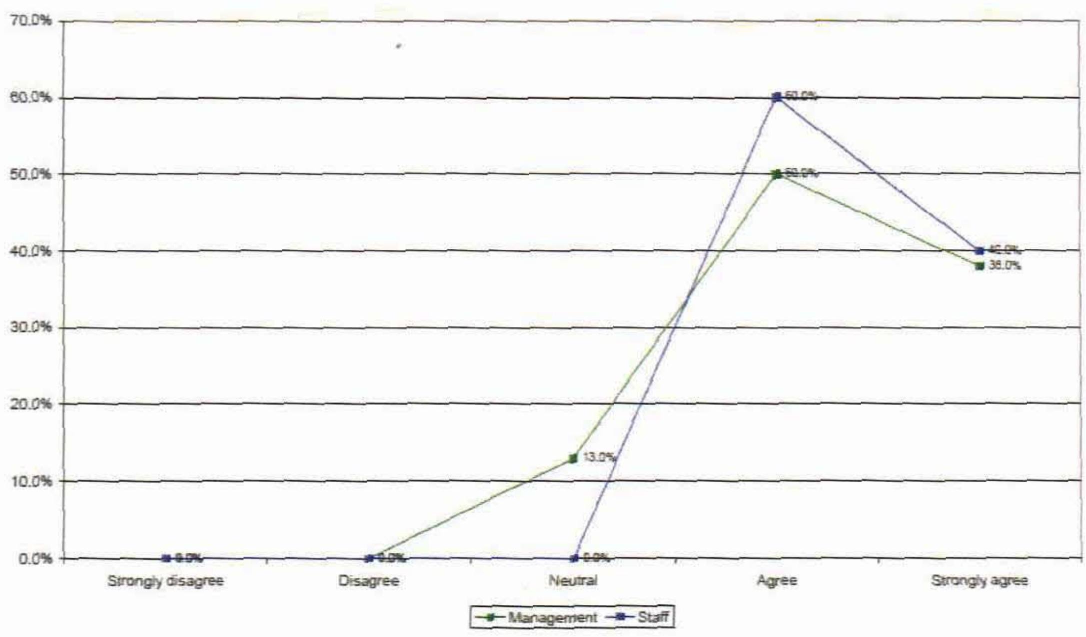


Figure 4.47: Graphic: percentage findings of questionnaire (section C) – Item 13

Item 14	**Mean (%)**	**Standard deviation (%)**
Dominant coalition	84	13
Incumbents	75	18

The dominant coalition place emphasis on showing that there is a bond (item 13) between the organisation and their stakeholders and that they value (item 14) the relationship. The incumbents however view that showing that they value (item 14) the relationship is of slightly less importance than showing that they have a bond (item 13) with stakeholders. However, both the dominant coalition and incumbents view it as slightly less important to showing that they want to create and maintain relationships with stakeholders.

Item 13	**Mean (%)**	**Standard deviation (%)**
Dominant coalition	81	18
Incumbents	85	14

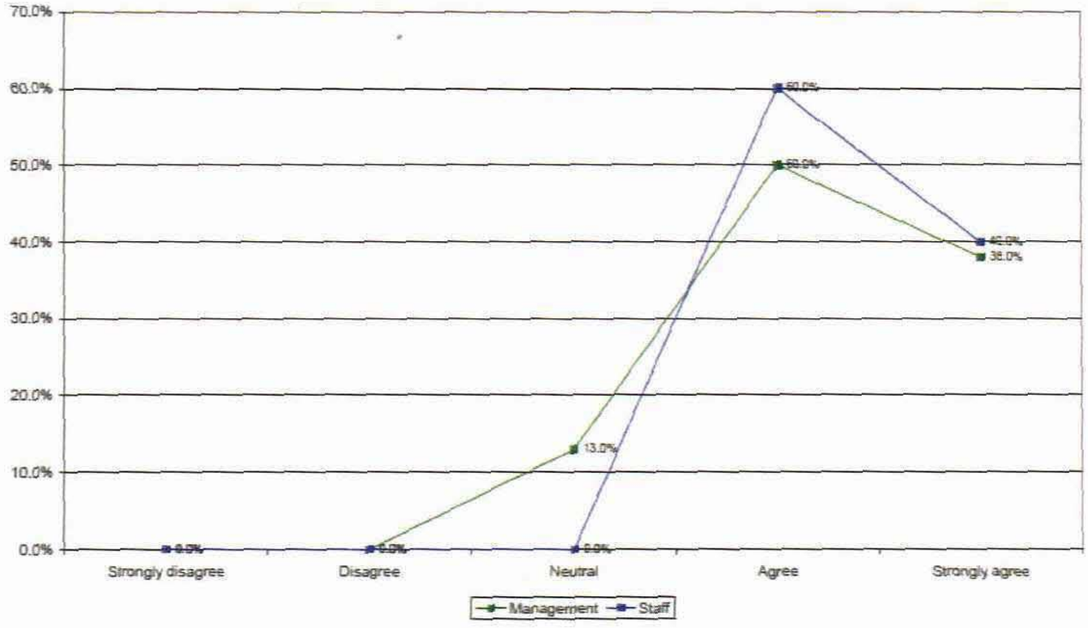


Figure 4.47: Graphic: percentage findings of questionnaire (section C) – Item 13

Item 14	**Mean (%)**	**Standard deviation (%)**
Dominant coalition	84	13
Incumbents	75	18

The dominant coalition place emphasis on showing that there is a bond (item 13) between the organisation and their stakeholders and that they value (item 14) the relationship. The incumbents however view that showing that they value (item 14) the relationship is of slightly less importance than showing that they have a bond (item 13) with stakeholders. However, both the dominant coalition and incumbents view it as slightly less important to showing that they want to create and maintain relationships with stakeholders.

Item 13	**Mean (%)**	**Standard deviation (%)**
Dominant coalition	81	18
Incumbents	85	14

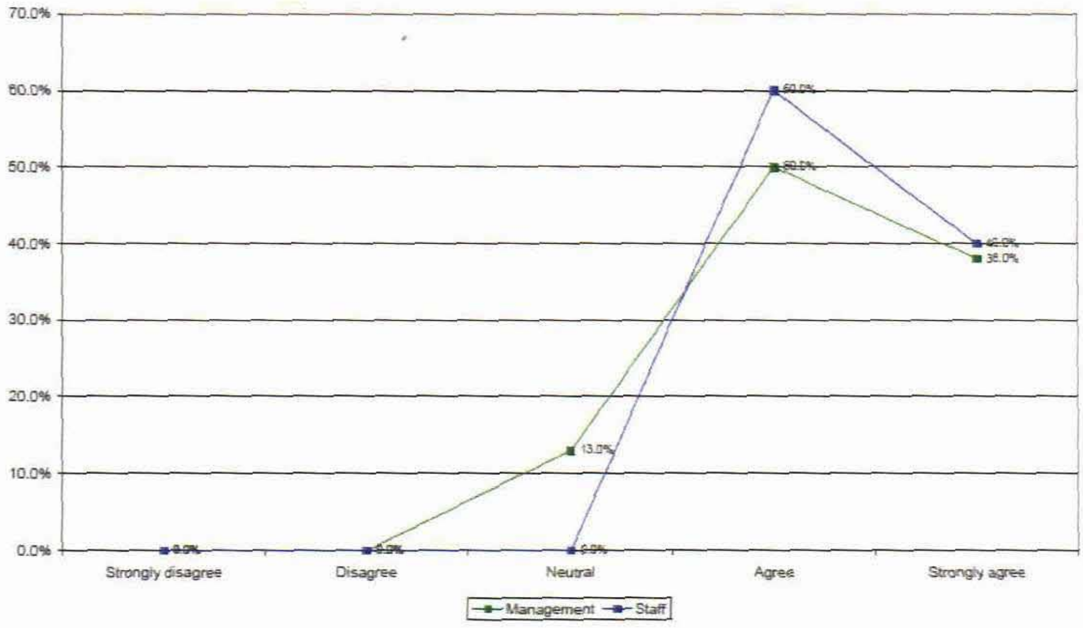


Figure 4.47: Graphic: percentage findings of questionnaire (section C) – Item 13

Item 14	**Mean (%)**	**Standard deviation (%)**
Dominant coalition	84	13
Incumbents	75	18

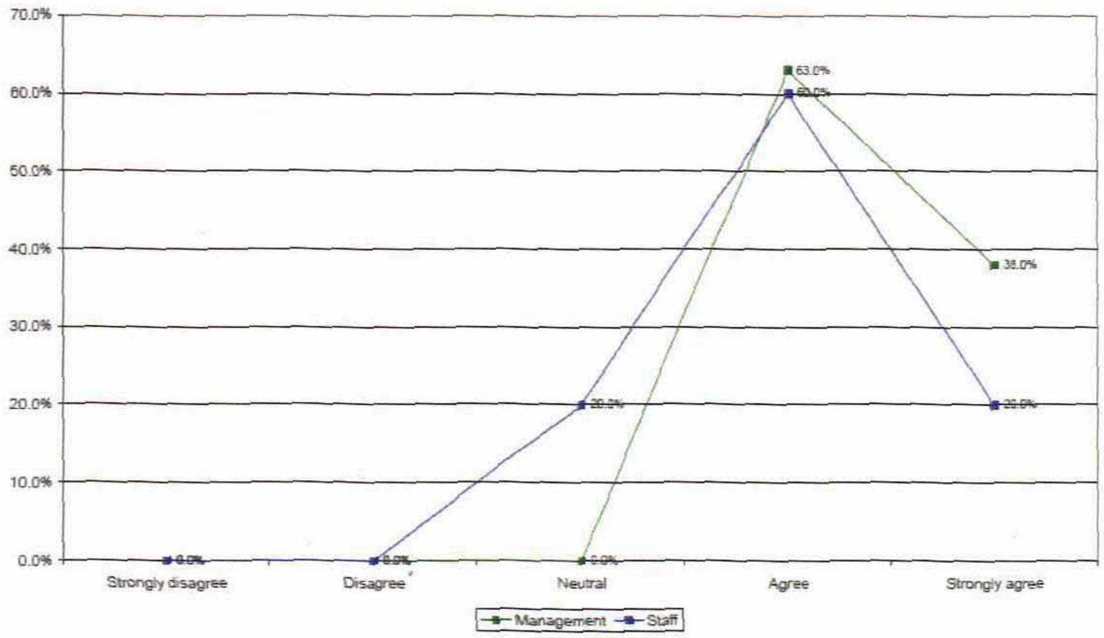


Figure 4.48: Graphic: percentage findings of questionnaire (section C) – Item 14

Items 15 to 18 test the relationship indicator – satisfaction. This indicator of good relationships relates to the extent to which each party feels favourable towards the other because positive expectations about the relationship are continually reinforced (Grunig & Hon, 1999:3).

It is interesting that the dominant coalition view it as important to make sure that the stakeholders are happy with the organisation (item 15), but less important to make sure that both the organisation and the stakeholders benefit from the relationship (item 16). In turn the incumbents view it as less important to make sure that the stakeholders are happy with the organisation (item 15), but view it as more important to make sure that both the organisation and stakeholders benefit from the relationship (item 16). This could be an indication that the dominant coalition places more emphasis on the importance of bringing information into the organisation than it is just making sure that the stakeholder gets something from the relationship.

Item 15	Mean (%)	Standard deviation (%)
Dominant coalition	81	12
Incumbents	75	18

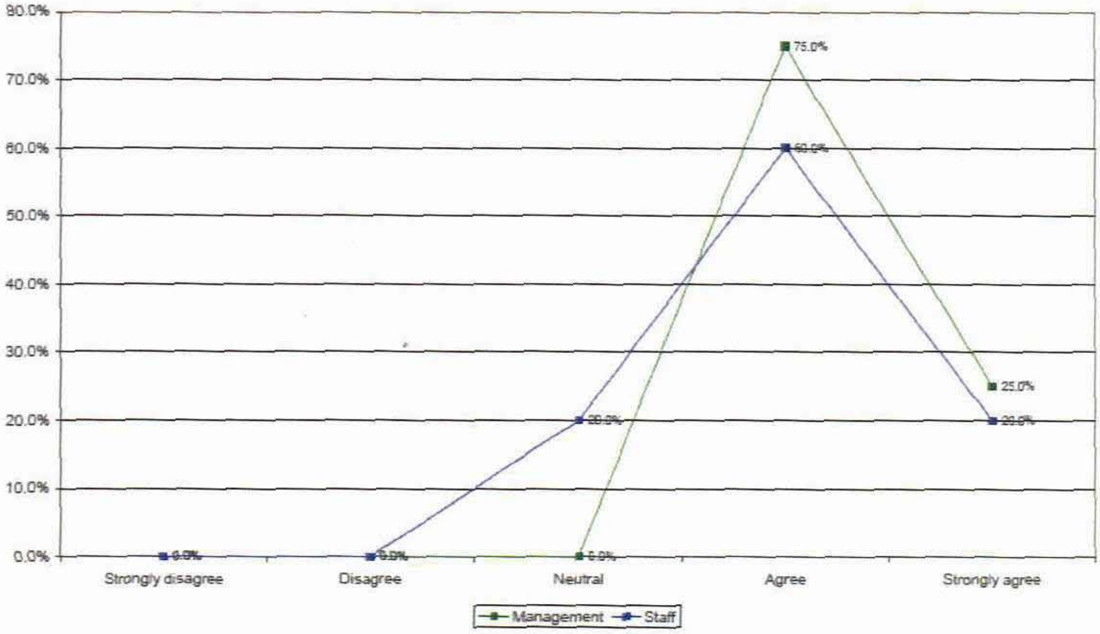


Figure 4.49: Graphic: percentage findings of questionnaire (section C) – Item 15

Item 16	Mean (%)	Standard deviation (%)
Dominant coalition	78	25
Incumbents	85	14

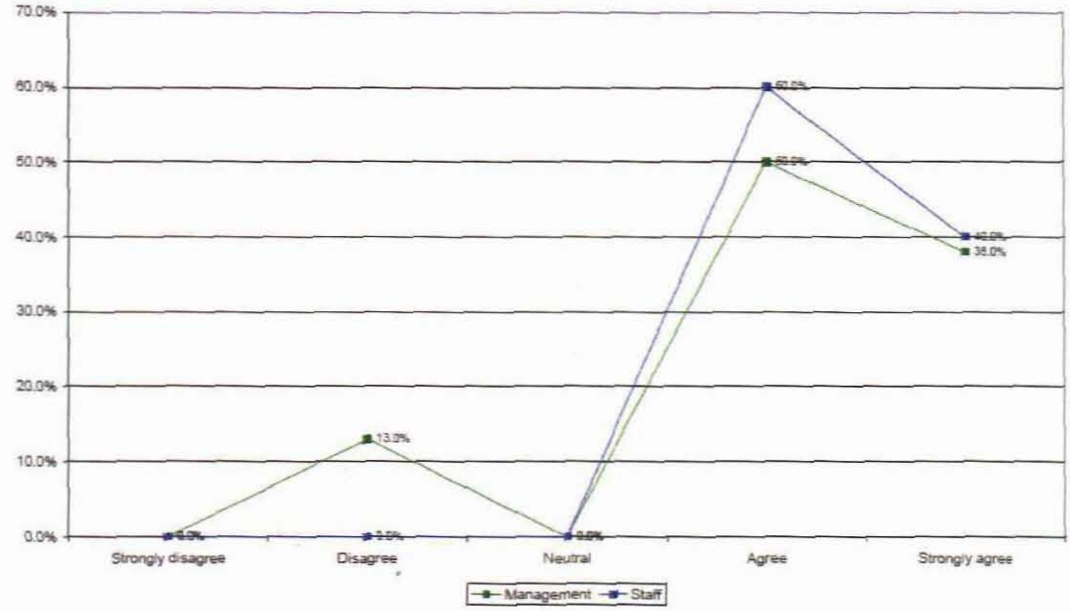


Figure 4.50: Graphic: percentage findings of questionnaire (section C) – Item 16

Item 15 and 17 correspond exactly – with only slight differentiation on the standard deviation (an indication that both the dominant coalition and incumbents answered truthfully). Item 15 refers to making sure that the stakeholders are happy with the organisation and item 17 refers to making sure that stakeholders are happy in their interaction with the organisation. An indication that both the dominant coalition and the incumbents place fair emphasis on not only wanting to know the positive opinion the stakeholders have of the organisation, but also wanting to know that they are happy with the way they go about their business and interaction with stakeholders.

This also corresponds with item 18 in that both the dominant coalition and incumbents place an important emphasis on making sure that the stakeholders are pleased with the relationship the organisation has established with stakeholders.

Item 17	Mean (%)	Standard deviation (%)
Dominant coalition	81	18
Incumbents	75	18

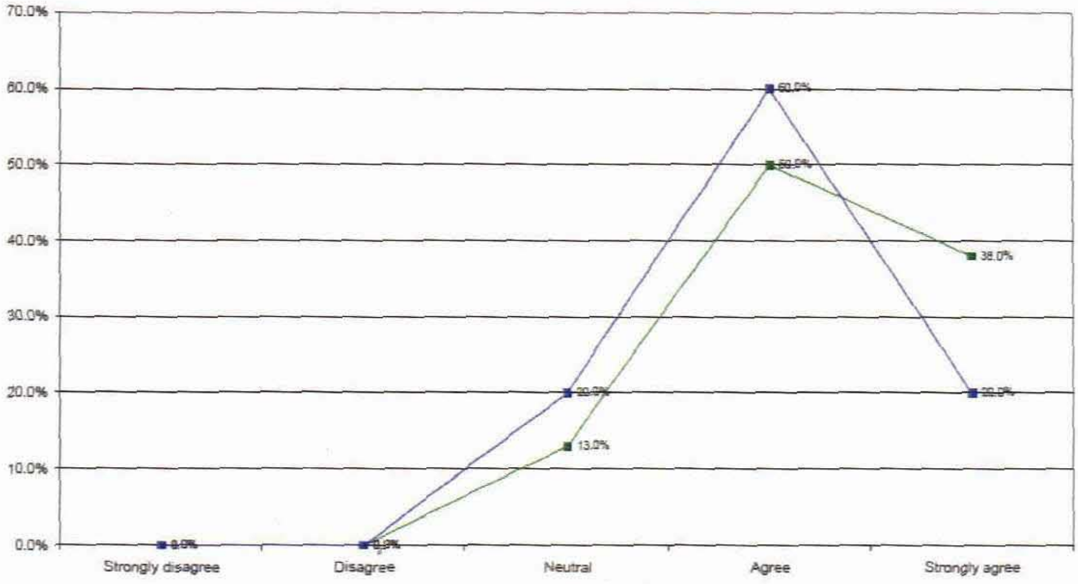


Figure 4.51: Graphic: percentage findings of questionnaire (section C) – Item 17

Item 18	Mean (%)	Standard deviation (%)
Dominant coalition	88	13
Incumbents	80	11

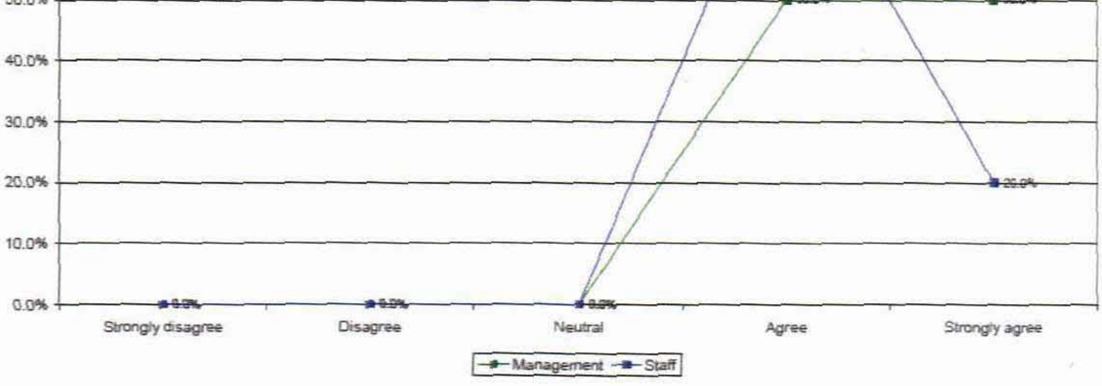


Figure 4.52: Graphic: percentage findings of questionnaire (section C) – Item 18

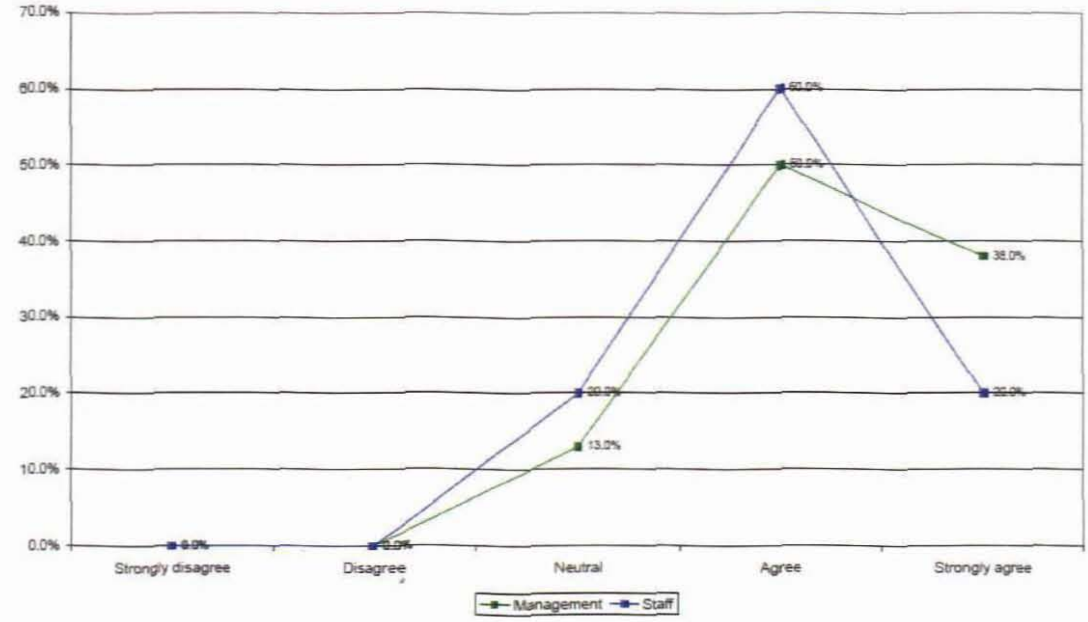


Figure 4.51: Graphic: percentage findings of questionnaire (section C) – Item 17

Item 18	Mean (%)	Standard deviation (%)
Dominant coalition	88	13
Incumbents	80	11

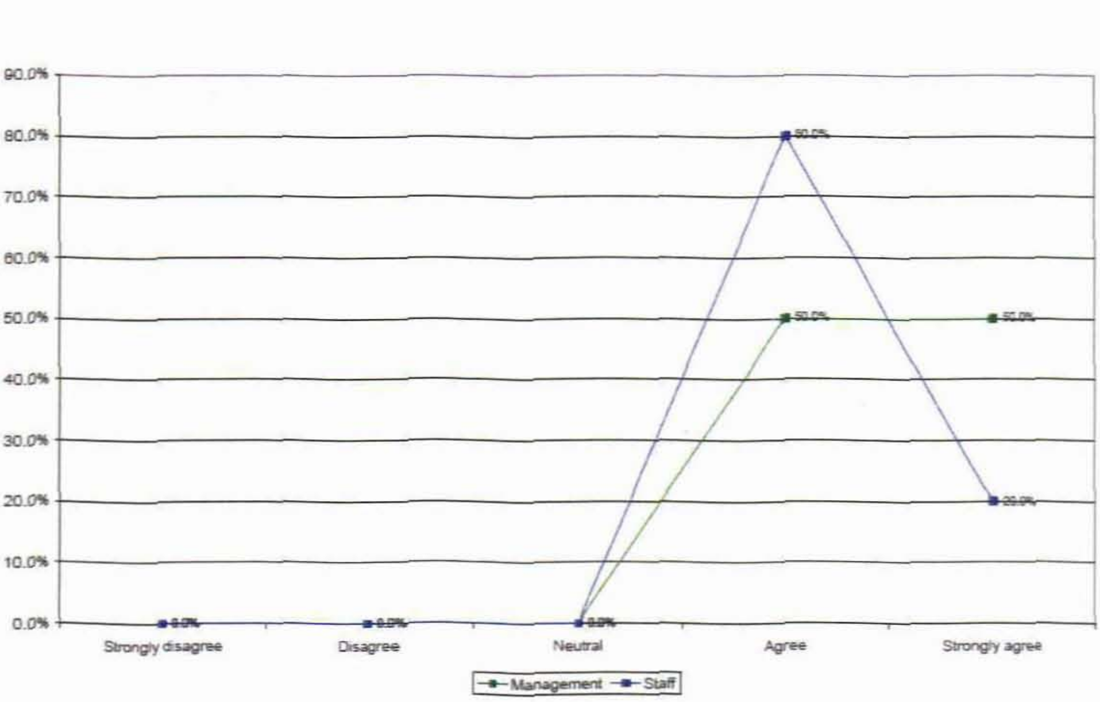


Figure 4.52: Graphic: percentage findings of questionnaire (section C) – Item 18

The following items – 19 to 26, measure whether the dominant coalition and incumbents place more emphasis on/view the organisation (within the scope of their work) as more focussed on communal relationships or exchange relationships.

Items 19 to 22 test the relationship indicator – communal relationships. This relationship indicator is a reflection of the type of relationships built and reinforced by public relations actions. Where this is established in a relationship it is an indication that "both parties provide benefits to the other because they are concerned for the welfare of the other, even if they get nothing in return" Grunig and Hon (1999:3).

In item 19, the dominant coalition is more convinced that the organisation enjoys giving others aid than what the incumbents are.

Item 19	Mean (%)	Standard deviation (%)
Dominant coalition	84	13
Incumbents	75	18

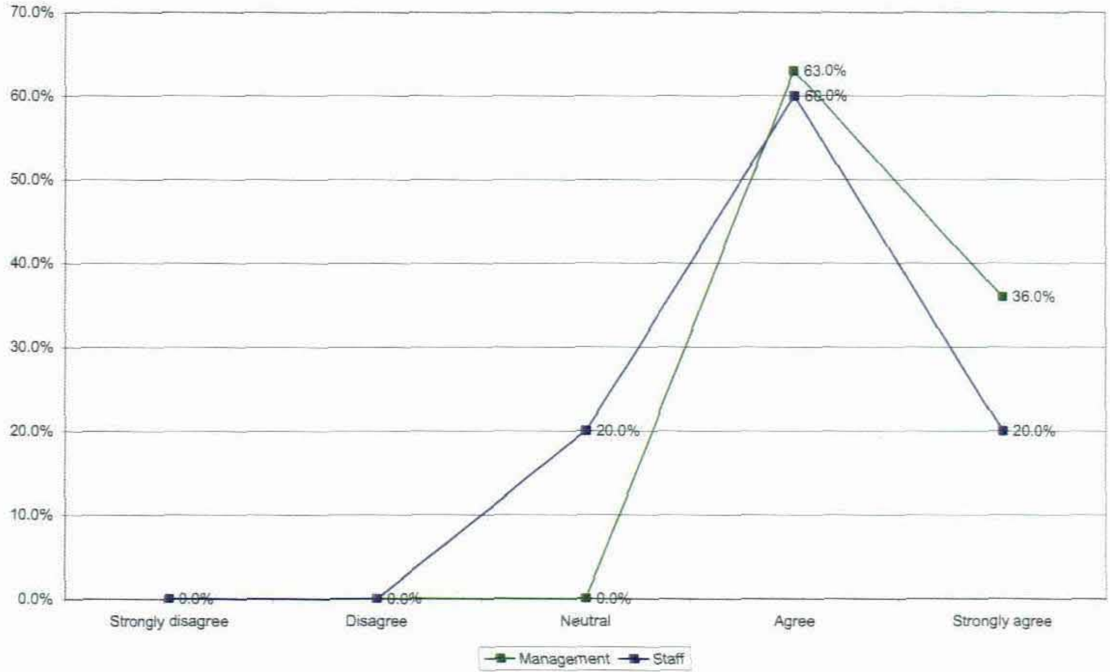


Figure 4.53: Graphic: percentage findings of questionnaire (section C) – Item 19

In item 20 it is interesting to note that the dominant coalition does not view the organisation as very concerned with the welfare of stakeholders, but did however indicate that they think the organisation enjoys giving others aid. However the incumbents viewed the organisation as quite concerned with the welfare of stakeholders.

Item 20	Mean (%)	Standard deviation (%)
Dominant coalition	59	23
Incumbents	80	11

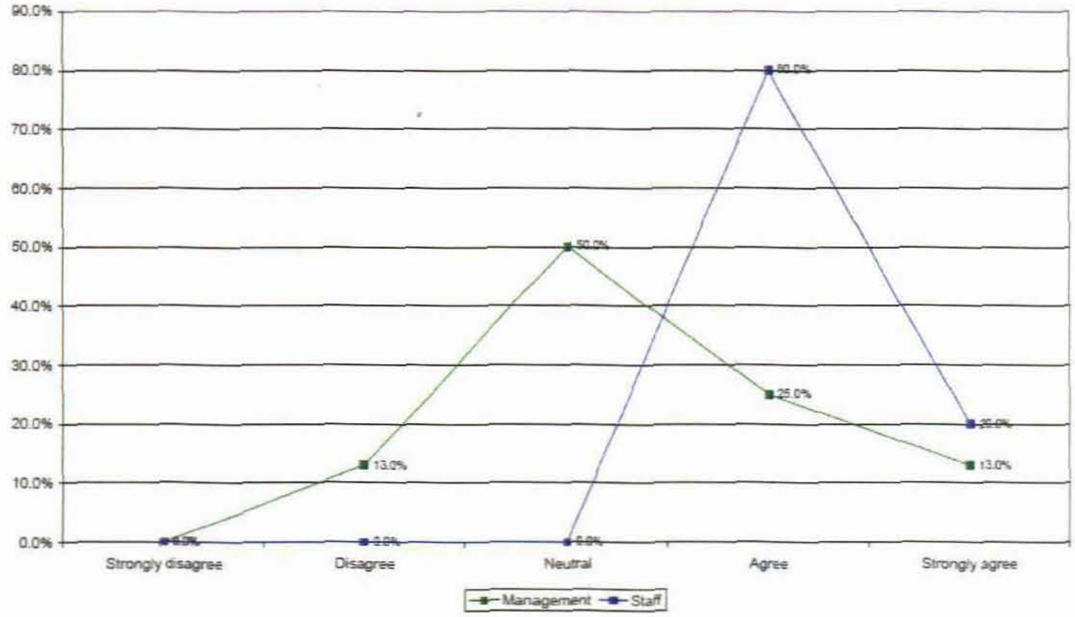


Figure 4.54: Graphic: percentage findings of questionnaire (section C) – Item 20

Item 21 – both the dominant coalition and the incumbents agree that the organisation does not take advantage of people who are vulnerable.

Item 21	Mean (%)	Standard deviation (%)
Dominant coalition	78	16
Incumbents	85	14

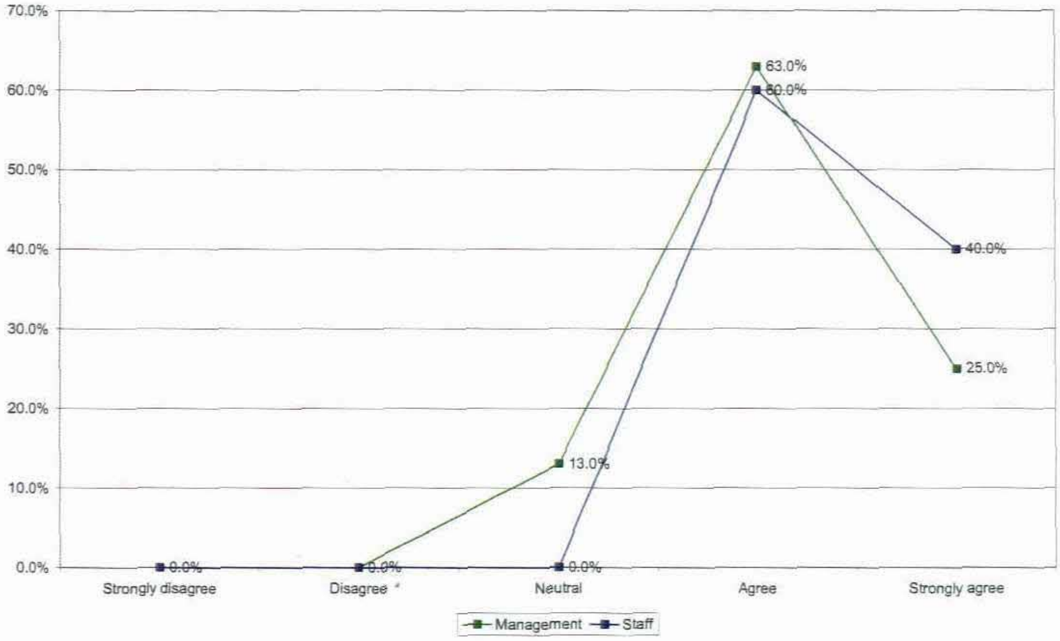


Figure 4.55: Graphic: percentage findings of questionnaire (section C) – Item 21

Item 22 both the majority of the dominant coalition and incumbents agree that the organisation does not/cannot succeed by stepping on other people.

Item 22	Mean (%)	Standard deviation (%)
Dominant coalition	81	18
Incumbents	75	18

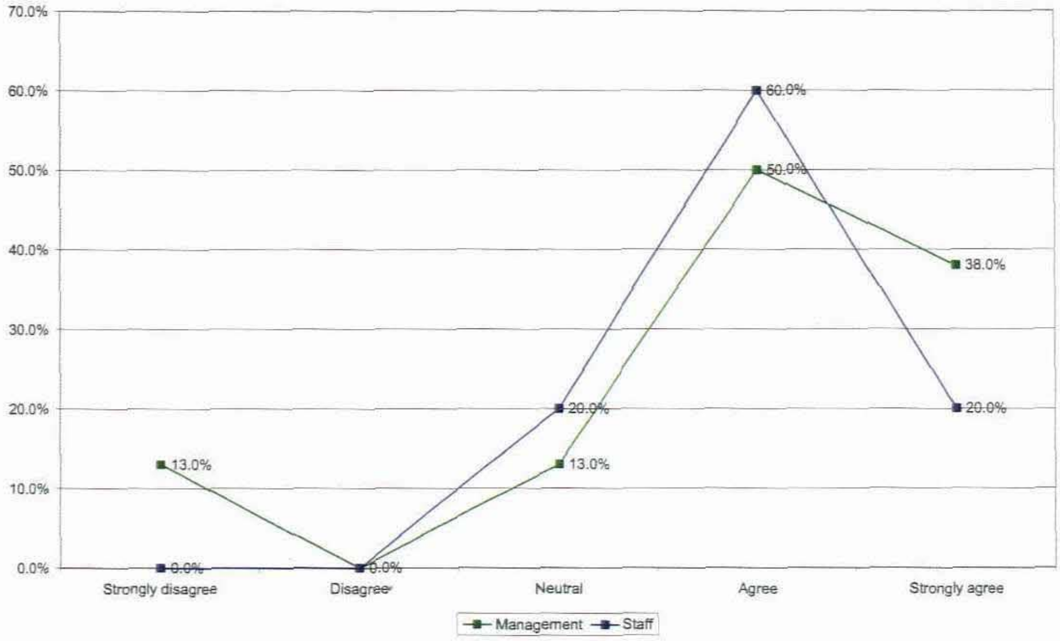


Figure 4.56: Graphic: percentage findings of questionnaire (section C) – Item 22

Items 23 to 26 test the relationship indicator – exchange relationships. This indicates that there is a relationship established because one party has given the other party benefits because the other party has provided benefits in the past or is expected to do so in the future (Grunig & Hon, 1999:3).

In item 23 and 24 it is evident that both the dominant coalition and the incumbents do not see the organisation (in the realm of their work) as one which would/should expect something in return when giving/offering something to another party even where they (the organisation) have had a long time relationship with the stakeholders.

Item 23	Mean (%)	Standard deviation (%)
Dominant coalition	50	30
Incumbents	35	18

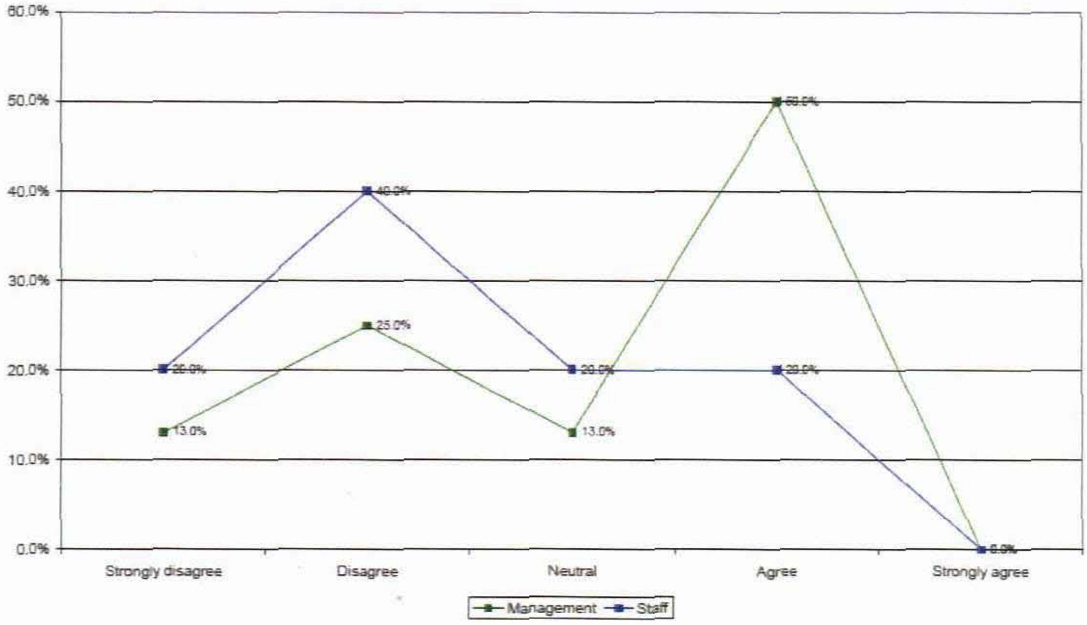


Figure 4.57: Graphic: percentage findings of questionnaire (section C) – Item 23

Item 24	Mean (%)	Standard deviation (%)
Dominant coalition	47	28
Incumbents	40	28

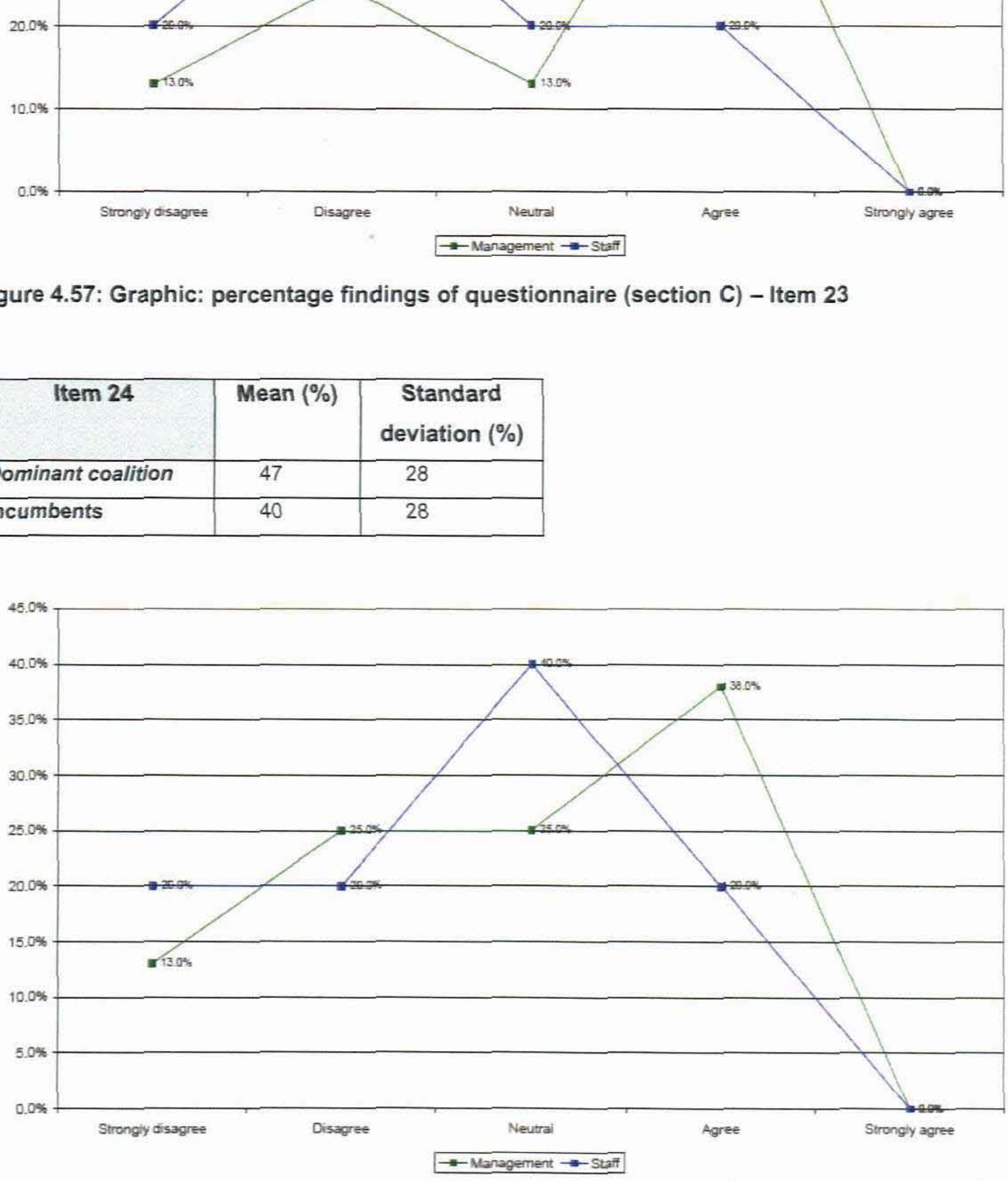


Figure 4.58: Graphic: percentage findings of questionnaire (section C) – Item 24

Item 25 – the dominant coalition disagrees that the organisation will compromise with stakeholders if they know that they can gain something. The incumbents are more agreeing of this statement.

Item 25	Mean (%)	Standard deviation (%)
Dominant coalition	38	23
Incumbents	55	33

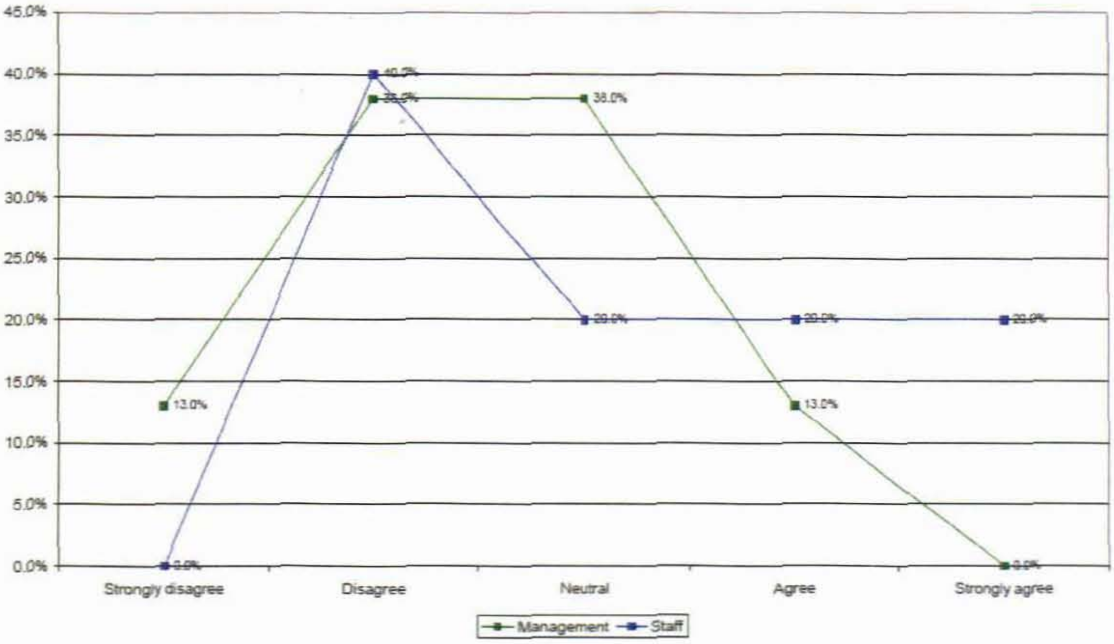


Figure 4.59: Graphic: percentage findings of questionnaire (section C) – Item 25

Item 26 – the dominant coalition and the incumbents are more agreeing of the view that the organisation takes care of people who are likely to reward the organisation.

Item 26	Mean (%)	Standard deviation (%)
Dominant coalition	53	25
Incumbents	65	37

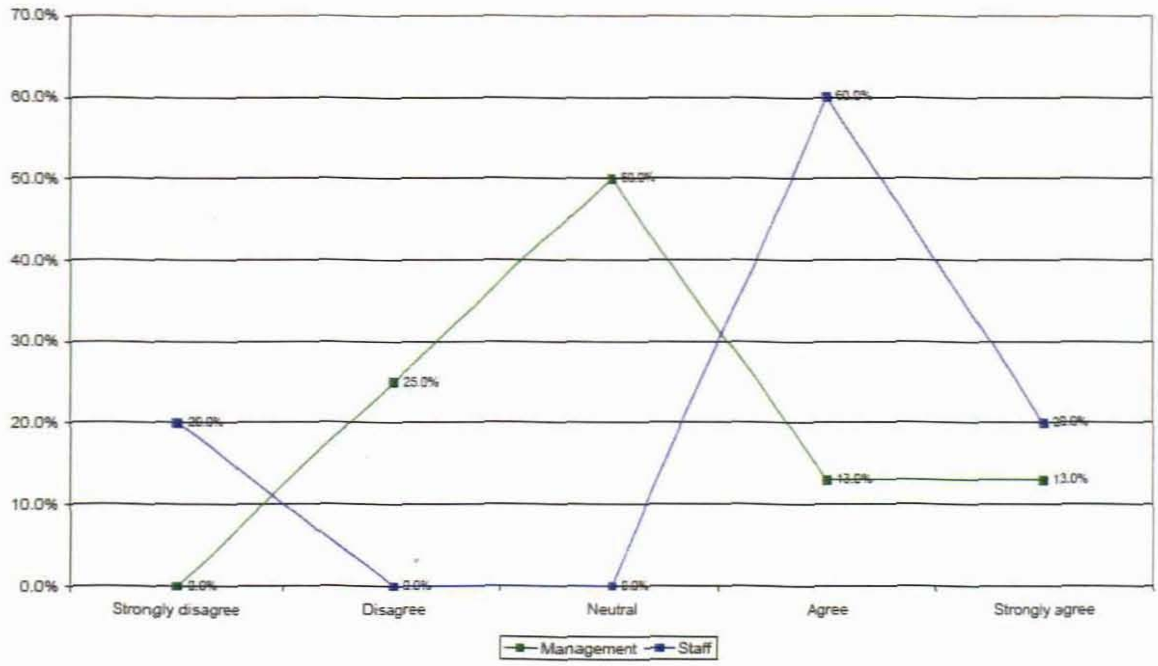


Figure 4.60: Graphic: percentage findings of questionnaire (section C) – Item 26

4.3 Discussion: guiding hypotheses

For this study, guiding hypotheses were set in order to guide exploration into the research problem and formulisation of research objectives in order to assist with the conceptualisation of a framework for the collaboration of public relations and marketing in stakeholder management which could possibly be empirically tested in further research. The hypotheses were therefore not tested, but the secondary research (phase one of this study) and descriptive statistical analyses of the data gave insight into the hypotheses stated (chapter 1, p.9) at the beginning of the study:

Guiding hypotheses 1: *That the public relations and marketing function within Life Healthcare hospitals are not placing emphasis or isolating stakeholder management as an important function.*

In section C of the questionnaire, the incumbents of the public relations and marketing portfolios within the hospital and the dominant coalition did view/agree that the relationship indicators are important in the scope of work. However, in some of the individual items posed encompassing stakeholder relationships and actions in section B of the questionnaire, the incumbents were not rating it as important.

This suggests that there might not be an understanding as to what stakeholder management and relationships encompass. However, the dominant coalition felt that those items were important in the scope of work needed from their incumbents.

Guiding hypotheses 2: *That the public relations and marketing function within Life Healthcare hospitals are not clearly defined by the dominant coalition*

It is interesting to note that from the items in section B of the questionnaire, the dominant coalition of the hospitals have a clear idea as to what they expect of the incumbents in the public relations and marketing posts by mostly rating the items researched as important. With a low standard deviation, the indication is that they also mostly agree on the importance of the items. However, the informal review of the job descriptions (phase one of the study) indicated that the key performance areas are not uniform within the hospitals and not clearly defined in terms of the scope of work. It suggests that although the dominant coalition knows what they want, it is not translated into the outline of key performance areas presented to the incumbents. This could also be a reason for the incumbents not indicating a high importance of the functions studied in section B of the questionnaire.

Guiding hypotheses 3: *That what the dominant coalition expects from the public relations and marketing function with regard to general outcomes and outcomes for stakeholder relationships are not in line with what the public relations and marketing function is currently achieving*

In terms of the relationship indicators measured, there is a slight discrepancy with regard to the indicators viewed as important by the dominant coalition and currently focussed on by the incumbents. However, there are areas where there is correlation between the two data sets. In terms of the general outcomes of the two functions, both the dominant coalition and the incumbents place more emphasis on items relating to public relations than marketing. However, it is clear that the dominant coalition would like incumbents to be involved on a more strategic level, giving input into decisions.

Guiding hypotheses 4: *That the public relations and marketing functions are not seen as separate functions and therefore cannot contribute in the way/on the level which is needed for excellent organisations*

From the informal review of job descriptions, the variations of job titles and the restructuring of the hospitals in the Eastern region, it is clear that the public relations and marketing functions are not seen as separate functions. The key performance areas communicated to incumbents do not make provision for separate performance areas. This can be incorporated into the suggested framework and suggestions borne from this study in order to make sure that even though separate incumbents cannot be employed in each hospital due to the organisational structure and other business factors, incumbents should be steered and trained in order to make sure that outputs are clearly defined and incorporates the aspects of both functions.

Guiding hypotheses 5: *That the correct skills are not evident within the public relations and marketing functions in order for incumbents to contribute to stakeholder management*

It is clear from the demographic analyses that none of the incumbents have formal marketing training. It could be one of the reasons why they did not incorporate marketing outputs in their scope of work. Their lack of formal theoretic knowledge in the field could therefore have skewed the results obtained. It is interesting to note that even though they had no formal training in the field, 56% indicated marketing as their field of expertise. In terms of public relations only 40% had some formal training in the field with 33% indicating that it was part of their expertise.

4.4 Conclusion

Although both the dominant coalition and incumbents of the PR and marketing positions within the hospitals indicated a slightly higher involvement in PR rather than marketing, it is clear that the incumbents do not view their role in the outlined strategic areas as important as the dominant coalition does. The fact that incumbents demographically showed no theoretical knowledge of marketing could also be an explanation why marketing does not feature as strongly with them. It is interesting to note however, that even though incumbents did not have a theoretical background in marketing and indicated a stronger output for public relations items in section B of the questionnaire, they view themselves as working within the marketing field.

As the theory suggested that excellent organisations are those where PR and marketing are viewed of equal importance, the fact that a slightly higher preference and importance is given to PR should be addressed in the proposed framework to make sure that both PR and marketing are featured within the realms of stakeholder management.

What is encouraging for the Eastern region in terms of building a brand platform is that the various managers within the different hospitals seem to be on par with their view of what they would like the incumbents of the PR and marketing positions to be involved in. However, the fact that the incumbents' results show a lower importance of involvement in the PR and marketing items researched, could suggest that this uniformity of thinking amongst the dominant coalition is not translated within a uniform job description for all the incumbents' positions in the region. The varied portfolio names/positions of the incumbents within the organisation structure are also an indication of this.

It is the framework followed by the incumbents that needs to be reshaped in order to include PR and marketing on equal levels. Incumbents also need to be developed in order to realise that their work should be operating on a more strategic level as the value of importance of their work is viewed far more significant by the dominant coalition as what they are currently delivering in operations.

Therefore the proposed framework should not only link them into the business strategy of the various hospitals, but also include steps which would guide the incumbents to work and execute their jobs within the realms of PR and marketing. Furthermore, as their theoretical background does not show a level of expertise for both areas, the framework should include steps that would give them a solid grounding to compensate for their lack of expertise and force them to think of and include all the necessary areas needed.

The dominant coalition as well as the incumbents of the various public relations and marketing positions have viewed the range of relationship indicators (achieved through building relationships in stakeholder management) as important for their scope of work on the whole. However, it is clear that both the dominant coalition and incumbents do not add as much value to exchange relationship (*the organisation and the stakeholder gives benefits to one another because one of the parties has given benefits in the past or will be doing so in the future – Grunig and Hon 1999:3*) indicators as they do to other indicators indicating a successful relationship in stakeholder management. In terms of communal relationships (*where benefits are given by one of the parties as they are concerned for the other's welfare – not because the other party will also be giving benefits – Grunig and Hon 1999:3*) the incumbents view it as of slightly more importance in stakeholder management than what the dominant coalition does. Notably the dominant coalition views the power to influence stakeholders and achieve a balance of control (*control mutuality*) as more important than the incumbents do.

Trust (*one parties level of confidence in the other – Grunig and Hon 1999:3*) and commitment (*the extent to which the parties feel it is worth it to maintain and promote the relationship with one another – Grunig and Hon 1999:3*) are viewed as more important in relationships with stakeholders by the incumbents with commitment and satisfaction (*the extent to which each party in the relationship feels favourable towards the other because positive expectations are reinforced – Grunig and Hon 1999:3*) being viewed as the important relationship outcomes by the dominant coalition.

Unfortunately, due to the low realisation rate, data could not be analysed through factor analysis and inferential parametric statistics in order to outline how the independent variables (skills evident; function of the said departments and outcomes of stakeholder relationships) influence the dependant variable, namely the relationship between public relations and marketing in the hospitals. However, even though factor analysis could not be conducted in order to statistically verify the influence of these factors, general influences could be surmised from the descriptive statistics as described in the guiding hypotheses section above. Therefore, it is also not possible to realise the envisaged outcome (as set out at the on set of this research study) of creating a framework which can be generalised across all the regions of the Life Healthcare group – the framework can only be generalised across Eastern region hospitals. However, the patterns and relationships with regard to the marketing and public relations functions and stakeholder management and relationships could be described as set out in the research objectives of this study (chapter 3, p.72). This description and outcomes discussed, clarified and explicated through theory, will be used to inform the framework for the collaboration of marketing and public relations in stakeholder management.

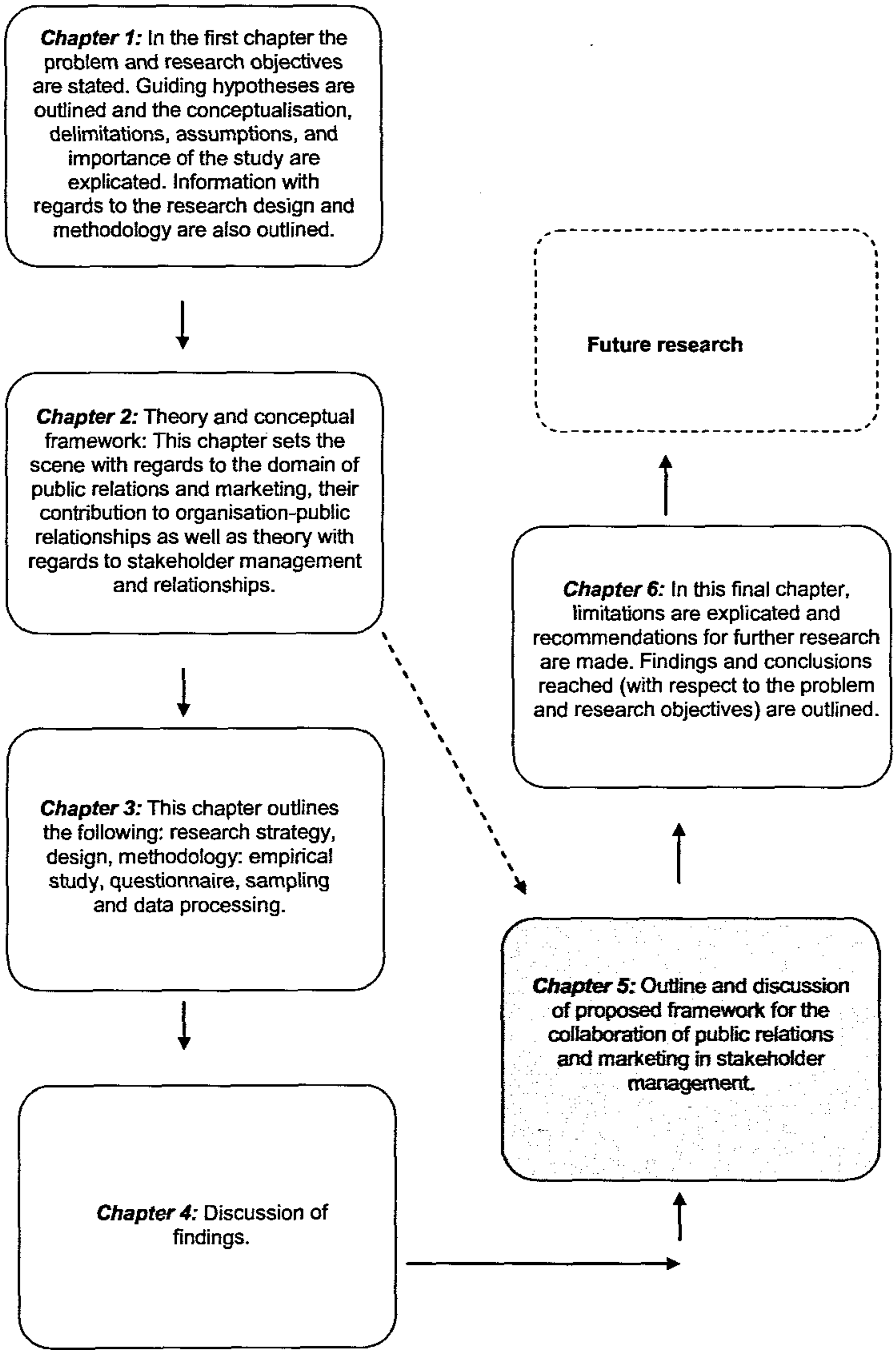


Figure 5.1: Outline of research report

CHAPTER FIVE
OUTLINE AND DISCUSSION OF PROPOSED FRAMEWORK FOR THE COLLABORATION OF PUBLIC RELATIONS AND MARKETING IN STAKEHOLDER MANAGEMENT

This chapter relates to research objective two in phase two of this study. Namely to develop a framework for the collaboration of the public relations and marketing functions in stakeholder management so that both can effectively contribute to the hospitals' strategic relationship building process in their own right as is necessary in excellent organisations.

Stakeholder management has become important for business to succeed (King report, 2002) highlighting the importance of stakeholder management and communication as an important strategic output within business strategy. Public Relations (PR) and marketing in essence deal with stakeholders. As seen in the Eastern region situation of the hospital group, the dominant coalition want incumbents to be more marketing orientated in their background and field of expertise, yet they showed PR items as of slightly higher importance. The incumbents in turn do not view the items pertaining to a strategic contribution of PR and marketing as important as the dominant coalition did. In terms of the evaluation of relationships the dominant coalition and the incumbents in the public relations/marketing positions viewed communal relationships as of a higher importance than exchange relationships. However, both research groups placed a high value on creating the outcomes of trust, commitment and satisfaction with the dominant coalition placing a higher value on control mutuality than the incumbents did.

5.1 Framework background

This section outlines the areas which influences the framework design, based on the outcomes of the data discussed in chapter four (p.82):

5.1.1 The dominant coalition

Worrall (2005:48) suggests that it is only when there are shared expectations between public relations and marketing and top management, and when top management actually demands these activities that the maximum contribution to stakeholder management can be made by both functions.

The research therefore pointed out that there is an excellent platform for creating a framework for the collaboration of public relations outputs and marketing outputs as the dominant coalition showed a need for a higher contribution of the two functions to business strategy. There are shared expectations between the functions and the dominant coalition with regard to relationship outcomes. However, the incumbents did not show as high an output value for the functions as what the dominant coalition indicated they would like to see – the framework therefore needs to address this issue. The reason for the incumbents not showing a high output could be their lack of formal theoretical training in the fields as outlined in the demographic section of the research study.

5.1.2 Organisational effectiveness

Furthermore, it became apparent through the research, indicated by the restructuring of the marketing and public relations functions within the region (as outlined on p.82 of chapter four) that the hospital structure does not allow for a public relations incumbent and a marketing incumbent for each hospital. This contradicts theoretical suggestions that public relations and marketing need to exist in their own right in order for an organisation (Grunig & Grunig, 1998) to be excellent and operate effectively. The research conducted clearly showed that these two functions are interchanged within the organisation structure and outputs and the suggestion therefore is that these functions should be split and exist in their own right, based on theory. The framework will therefore show these two functions as separate with indicated synthesis areas. However, for possible implementation in the current situation it will need to be practically adapted and serve as a guide affording one incumbent the opportunity to make use of and incorporate the strategic elements of both functions through synthesis, focussing on some outputs as having a clear PR focus and some outputs as having clear marketing focus – to ultimately ensure that both are incorporated into the realm of work in their own right. Testing the framework in further empirical research however could motivate and substantiate incorporating two incumbents into the organisational structure – one focussing on communal relationships with expertise of public relations and the other focussing on exchange relationships with expertise of marketing so that both functions can contribute to organisational effectiveness in their own right.

5.1.3 The independent variables

- *Skills and background*
  The research showed that incumbents do not have theoretical marketing knowledge with some having no formal training in either PR or marketing at all. Therefore structures need to be incorporated within the framework in order to make sure that they operate the function with both PR and marketing focus in mind. In this instance, training with regard to roles, functions and output of both PR and marketing in the hospital industry context should be incorporated. This will also make sure that hospitals within the region operate from the same understanding and platform in order to support brand building amongst stakeholders in the region.

- *Functions*
  The research substantiated that the dominant coalition places a higher importance on public relations; the framework therefore should indicate clear marketing outputs in order to bring a balance into the operation of the public relations and marketing functions. The research also indicated that incumbents did not place such a high value on the outlined marketing and public relations functions as the dominant coalition did. A reason could be that they do not have the needed skills, background and expertise and that their understanding of the functional items is not clear. Therefore to further address this issue of lacking skills, practically – processes need to be incorporated into the designed framework in order to give incumbents the required critical thinking and process pointers for incorporating the correct process into achieving the necessary outcomes.

- *Stakeholder relations*
  Both the dominant coalition and the incumbents indicated the importance of the relationship outcomes of trust, satisfaction and commitment – these outcomes need to be reinforced through the processes and functions incorporated into the design of the framework. The dominant coalition placed a higher emphasis on control mutuality, namely the power to influence stakeholders and achieve a balance of control, therefore processes for establishing this type of relationship with the stakeholder in question, must be incorporated into the design of the framework. Both the dominant coalition and the incumbents did not set much score by creating exchange relationships as an outcome of stakeholder communication. This needs to be addressed in the design of the framework with clear marketing processes outlined in order to create this type of relationship.

Therefore, to explicate the relationship between the public relations and marketing function (the dependant variable in this study) in order to work together in stakeholder management, taking the independent variables into consideration in the design, so that both marketing and public relations are incorporated equally and charged with certain relationship outcomes so that excellent relationships in stakeholder management can be achieved, the following will be outlined in the framework:

- What roles public relations can play in achieving the outcomes for good relationships; practical examples of how they can accomplish it; and what possible relationship outcomes can be achieved.
- What roles marketing can play in achieving the outcomes for good relationships; practical examples of how they can accomplish it and what possible relationship outcomes can be achieved.

5.1.4 Contribution to stakeholder management

Stakeholder management is the process by which the interest of individuals and groups who can have an affect on the organisation or in turn be affected by the organisation, its dealings and decisions – is systematically taken into account (Freeman & Liedtka, 1997). It has become vital to understand each stakeholder group in terms of their values, expectations and issues they deem important, as well as their readiness to either apply their resources to support or hamper the organisation (Steyn & Puth, 2000). Essential to the concept of stakeholder management is to communicate with stakeholders (Cooper, 2003). It is necessary to create dialogue with the stakeholder and maintain a flow of communication. During this dialogical communication it is necessary to match the needs and goals of the stakeholder to the needs and goals of the organisation in order to create shared meaning. These processes must be managed strategically through well-planned strategies and systems. This leads to knowledge building which is vital for the cyclical continuation of the stakeholder management process:

- *Public relations*: Public relations hold the tools for environmental scanning (pivotal to the mirror and boundary spanning perspective within the reflective paradigm). This type of scanning leads to monitoring and evaluation of both the external and internal environment which can prove valuable information to the strategists within the organisation. It brings the organisation information about events, trends and most importantly relationships of the organisation's external environment. Knowledge which can assist in the organisation's strategic plans (Analoui & Karami, 2001:291). Public relations contributes to stakeholder management by identifying the organisation's most strategic publics; planning, implementing and evaluating communication programmes to develop and maintain as well as measure the long-term relationships between management and those stakeholders (Grunig & Hon, 1999:9). Symmetrical communication is used to facilitate these activities in order to establish mutual understanding and create communal relationships. Qualitative type research methods are incorporated.

- *Marketing*: Marketing can actively be involved in integrating stakeholders into the organisational processes as they can determine how effectively the 'needs' or 'expectations' of each group is being met (Polonsky, 1995:34). Marketing has a role to play in stakeholder management as it focuses on the building of relationships through the creation of customer satisfaction.

  Yang and Grunig (2005:307) emphasises this point by saying that loyalty has a great influence on relationships with customers – a quality relationship between customers and marketers increase the profits of firms overwhelmingly. Asymmetrical communication is evident in the activities and establishes exchange and exchange relationships. Quantitative type research methods including statistical analyses are incorporated.

Incorporating these types of strategies and tactics will assist with creating a *tipping point* with regard to the stakeholder focussed on, namely general practitioners, so that the hospital group's relationship with them can become steadfast and yield results.

5.1.5 Chosen stakeholder used for practical application within the framework

As general practitioners (GPs) are an important stakeholder within the value chain, this specific stakeholder group has been chosen as the stakeholder target (and for practical application purposes) for the proposed framework.

This hospital group does not engage in what is called '*perverse incentives*' in other words, paying money or rewarding referring general practitioners (GPs) with commission, high value gifts and donations in lieu of the patients they refer to the Life hospital's specialists. Therefore, it is of utmost importance to build strong relationships based on trust, commitment and satisfaction with them in order to gain referrals. The aim is to also facilitate a tipping point so that GP commitment to the hospital can gain momentum and result in growing GP support, rapidly.

Furthermore, as the element of exchange i.e. gaining referrals and ultimately admitted patients to the hospitals, relies on the relationship established with them – the way the GPs are targeted and dealt with can have a great effect on future GP relationships. A disgruntled GP has the power to influence many other GPs not to refer patients based solely on the account of their experiences with the hospital group. The GP stakeholder group can be classified as a strategic stakeholder (Steyn & Puth, 2000:65) as they can be seen as a group who are a critical and vital to the hospital group to accomplish its mission – referred patients make up over 50% of the patients admitted to the hospitals. This group will be classified as part of the functional linkage (Esman[29] in Steyn & Puth, 2000:65) as they provide inputs to the organisation (send patients) and use the organisation's outputs (medical care) for their patients.
The GP group is considered a stakeholder as their actions has a direct effect on the hospital. They are considered a public as their dialogue with the hospital arises from their work with patients who give them feedback about hospital services. They are also considered a market as the hospital's facilities and services are showcased to them in order to persuade them to refer their patients to the hospital.

[29] Esman, M.J. 1984. In Grunig, J.E. & Hunt, T. *Managing public relations*. Holt, Rinehart & Winston: New York.

5.2 Proposed framework

Figure 5.2 (p.178) is a diagrammatic visualisation of the framework discussed below.

In addition to the aspects of the framework highlighted to illustrate collaboration of the two functions (based on the research conducted) for stakeholder management, theory of public relations and marketing will also be used in order to sub-set the framework and place the functions and outcomes of stakeholder management within the greater context of either public relations or marketing. This will also, on a practical level, assist incumbents who do not have the necessary skill and background to understand the various aspects of these two bodies of knowledge. Theory will only be outlined and practically applied in this section. The theory used has been fully explained and denoted in chapter 2 (p.26-69) of this study.

5.2.1 Roles of public relations and the organisation of the marketing function

"Roles refer to the standardised patterns of behaviour required of individuals in specific functional relationships" (Steyn & Puth, 2000:14).

- *Public relations*: The role of technician, manager and strategist should be portrayed by the public relations function in order to execute the various aspects of stakeholder management. It can be deduced from the research that the incumbents seem to be far more focussed on a technical role (executing policy and decision; providing technical skills such as writing etc.) as they did not assign high value to the functional items referring to those items which is normally executed by a manager (establishing communication policy and communication decisions; uses research to plan or evaluate work; facilitates communication between management and publics; guide management in relationships with stakeholders; conceptualise and direct communications programmes) or strategist – pivotal to stakeholder management. This strategist role encompasses the following:
    - monitoring the environmental developments; anticipating their consequences for policy and strategy
    - identifying the organisation's strategic stakeholders and issues
    - contributes to the organisation's strategy formulation processes which results in a contribution to corporate strategy
    - manages environmental turbulence by developing and maintaining relationships with strategic stakeholders
    - develops communication programmes to address strategic stakeholders and issues

  The roles of manager and strategist would need to be rolled out and advocated in the function. *(The roles are fully outlined with references in chapter 2 – p.29 – of this study.)*

- *Marketing:* For the purpose of this framework specifically focussing on stakeholder management of one important stakeholder within the value chain, namely GPs – it is suggested that the marketing function follows the 'organisation by customer/market' (outlined on p.45 in chapter 2 of this study) approach which encompasses the role of appointing a key-account manager (i.e. doctor liaison manager) to deal with this specific group.

As the situation in the Eastern region structure does not allow for appointing various people within the roles, as suggested, which will allow for optimally executing stakeholder management – these roles can be broken down to patterns of practical outputs which could be executed by one person. This is not ideal, but would ensure that the right type of work is focussed on for executing stakeholder management.

5.2.2 Towards creating a *tipping point* in stakeholder relationships

In terms of gaining long term relationships with referring general practitioners (GPs) the public relations and marketing function or outputs must create a type of *tipping point* so that relationships with GPs – an important stakeholder in the value chain – can become steadfast, yield results and lead to monthly referrals of their patients to the hospitals' specialists creating a recurring market. A *tipping point* can be referred to as "the moment of critical mass, the threshold or the boiling point," (Gladwell, 2000:12) when an idea or concept tips into becoming viral and is adopted by many. In the case of this study – a tipping point needs to be created where GPs surrounding the hospitals' in question in the Eastern region only refer their patients to Life hospitals in the region based on the relationships built with them or the perception of the company's excellent dealings with stakeholders and stakeholder management reputation. Public relations practitioners/outputs need to function as *'connectors'* with marketing practitioners/outputs focussing on the task of *'salesmen'*. Both disciplines must take on the task of *'mavens'*.

Connectors can be described as people who link people up with the world, who bridges gaps and introduce people in social circles – they are the type of people who bring the world together (Gladwell, 2000:38). In order to be a connector, the practitioner must make sure they know the industry and various people in the industry (Gladwell, 2000:38). They must get to know the GPs needs and interests in order to connect them with people in the hospital context they can identify with i.e. a specialist who has the same background or outlook on practicing medicine as the GP does. Furthermore, they must know different kinds of people (Gladwell, 2000:46) and be what one calls 'well connected' in general. For instance, it is as elementary as hooking up the GP with people who can assist them with their requirements – even on a personal level.

For instance, when chatting with a GP the GP could mention that they are looking for a certain product or service – the practitioner can make sure that they forward contact details of people or companies who can assist the GP with the specific requirement. By the time the practitioner has 'connected with' a certain GP and build a solid relationship it is possible that even the GP will become a *connector* and introduce other GPs to the hospital group.

Mavens can be described as people who accumulate knowledge (Gladwell, 2000:60). In other words, if marketplaces depend on information, then the people with the most information can dominate the marketplace (Gladwell, 2000:60). The marketing practitioners therefore need to be knowledgeable about the services and health related 'products' offered by the hospitals in order to filter that knowledge to the GP so as to gain the GP's referral. This also relates to hospital admission procedures, medical aid issues etc. The GP must be furnished with enough information and all the information he would need in order to make it 'easy' and less time consuming and labour intensive to refer the patient to the hospital. If they first have to look for information such as specialists' names and expertise, it makes it a labour intensive, arduous process to refer the patient. In terms of the public relations function, they need to take on a more reflective role in the marketplace – bringing in knowledge from the GPs in order for the marketing function to gain knowledge and target the market more effectively and efficiently leading to successful exchange. Knowledge needs to be generated so that the marketing and PR practitioners has information at their disposal which the competitors don't. The idea behind this type of knowledge for public relations is to educate and to be of assistance internally (to feed information to the marketing function) and externally (to give information back to the GPs in order to sustain relationships); for marketing the knowledge is used to inform and develop business strategy and persuade in order to create exchange and gain patient referrals.

Salesmen can be described as those practitioners who have the ability to incorporate (or the function of incorporating) the small things – those hidden, subtle, unspoken ways the practitioner acts or the way functions and processes are introduced and run, that can make a big difference (Gladwell, 2000:80). For this function it is important to note that, firstly, the little things (i.e. the way the GP is approached) can have a big influence on the outcome of the relationship. Secondly, in working with or communicating with the GP, the non-verbal cues are as important as the verbal cues (i.e. always being friendly and talking about the hospital with confidence) and thirdly, that subtleties introduced into the relationship or processes can make the difference in creating a communal relationship into an exchange relationship i.e. always making sure that conversations with the GPs include positive feedback from the patients they referred or making a special effort to track patients referred by the specific GP and making a special visit to them in the hospital (Gladwell, 2002:78-80). To be able to do the above the marketing practitioner needs knowledge about the hospital, industry and communal relationships. The role or output of a *maven* function can therefore be described as the 'data banks' – the provider of the message. The role or output of a *connector* function can be described as being or providing the 'social glue' – the vehicle through which the message is spread. The role or output of the *salesmen* function is to execute the final influence in order to urge the GP to go over to action and refer the patient (Gladwell, 2000: 79).

Working as a *connector* creates a platform for the *salesmen* to make the final 'persuasion' – in other words to execute the final step and get the patient referred. Incorporating the aspects of a *maven* creates knowledge for both the public relations and marketing function which they can use to assist each other in achieving their goals.

5.2.3 Lack of skills – bridging the gap

As pointed out when discussing the data in chapter 4 (p.82) and above, there is a lack of skill and expertise amongst the incumbents in the hospital group studied. To overcome these issues, which could influence the outputs of the functions of public relations and marketing, training workshops with regard to the essence of public relations, marketing and their related patterns should be incorporated in the hospitals.

To make sure that relationship patterns are understood; that the correct elements are incorporated and that the functions of the framework (in order to manage stakeholders) are executed properly, the following outline of steps (Karlsen, 2002) are incorporated into the framework. This is done to support and facilitate the correct approach in execution of the needed functional items of public relations and marketing for stakeholder management:

It is important to realise that tasks undertaken should always encompass the stakeholder(s) who could play a major role in affecting the outcome of the task or achieving the goal (Karlsen, 2002) – in this framework, the GP public. It is important to take note of the changes in the environment which could affect the outcome of the task – i.e. gaining referrals from the GP to specialists in the hospital. Long term effects and possible hurdles should be anticipated in advance. It is imperative to focus on the relationships created in order to affect trust, satisfaction, commitment and control mutuality in order to sustain long term relationships.

On the outset of the task, it is key to understand why the stakeholder is important, in this application – the fact that the hospital relies on referrals from the stakeholder in order to grow and sustain patient admissions; and the fact that a disgruntled GP has the power to affect the decisions and perceptions about the hospital amongst their peers. Understanding these aspects will allow the incumbent to better understand and outline objectives in order to achieve the goal of building relationships and creating an exchange relationship platform. Activities executed within the task should include ongoing communication and interaction with the stakeholder i.e. personal contact sessions should be scheduled on a regular basis. The environment should be consistently scanned in order to be ready to change or affect communication to combat any issues, which could affect the relationship, which might arise i.e. negative press coverage with regard to unhappy patients could influence the perception the GP has of the hospital group. Regular environmental scanning should take place in order to reshape communications in order to combat the negative perceptions. Causal actions from the internal environment should also be scanned and reviewed to ascertain whether it will have an affect on the stakeholder in question and whether specific communication in this regard will be needed i.e. if management decides to change the policy for admitting patients, not communicating this to GPs could influence their referrals to the hospital if they are not informed. In addition to this type of planning, organising, motivating leading and control, the following steps should be taken and incorporated in functional items for stakeholder management in order to ensure a successful relationship: *initial planning* – define the purpose and flow of the project i.e. when to create communal communication messages and when to create exchange communication messages, determine the allocation of time and resources, indicate the cycle of the project and what documentation is necessary to be produced; *identify* – outline and describe the stakeholders who are involved with the project or who could potentially be affected by it; *analyse* – evaluate the specific GPs in the task i.e. are they collaborative or potentially threatening; *communication* – communicate the analysis findings to management in order to create an understanding of who the stakeholders are; *action* – develop implementation strategies for dealing with stakeholders making sure that collaboration is based on mutual trust and should be beneficial to all parties concerned; *follow-up* – measure whether the strategies implemented have yielded results. Use the feedback to evolve and reshape the management and relationship building efforts of the specific stakeholder. Systematic processes founded on clear objectives and strategies along with the executer/planner's experience, relationships and capabilities, are a key factor (Karlsen, 2002). This is important as the dominant coalition placed high importance on functional items evaluated in the research which included measurement and setting of objectives and goals.

5.2.4 Focus

The public relations function should be practised within the realm of the *boundary spanning perspective* (Steyn & Puth, 2000) as it is concerned with organisation-environment interaction in bringing information into the organisation and communicating information to the environment as well as the *mirror perspective* (Steyn & Puth, 2000:19; Steyn, 2000a) as it outlines the need for the monitoring of relevant environmental developments and anticipation of their consequences for the organisation. In order for the organisation to gain maximum input from the environment, a source of intelligence is needed in the environment to gather information with regard to stakeholder groups. In relation to the chosen stakeholder, namely GPs, this type of outputs are of utmost importance as changes within the environment (such as medical aid variations) could influence the referral patterns of GPs. This information is therefore vital when planning activities surrounding the creation of exchange relationships for the marketing function. The research showed that both the dominant coalition in general indicated a high importance for such type of functions, but judging by the research as a whole, the incumbents showed that they can identify the stakeholders, but that expertise are lacking within their scope of work to follow the communication through in order to gain from the relationship with the stakeholder. In terms of items relating to environmental scanning/gathering information specifically for stakeholder related aspects, the dominant coalition deems it as important, but the incumbents are not so involved. Therefore these aspects need to be incorporated into the framework through specific activities that can be executed.

Kotler (1994:7) outlines that ascertaining needs, wants and demands is an important element of marketing. These elements will be needed by the marketing function to enable them to deliver input into decisions in order to increase performance – as indicated as important by the dominant coalition. The incumbents in the posts showed a very low importance of taking this type of information into account. Bringing this type of information into the organisation through boundary spanning, in order to inform decisions and plans is therefore incorporated in the proposed framework.

Value and satisfaction are two important elements understood by marketing (Kotler, 1994:7); they can use these expertise in support of giving public relations a customer perspective to better structure communication in support of maintaining relationships. Furthermore, they can assist with ideas for value creation to communicate to the GPs as there is no monetary gain for them in referring patients, so the communal relationship provided by public relations must provide a perception of value – an example of this could be passing on knowledge, gained from the development of the strategic perspective of the hospital by marketing, through the two-way symmetrical communication practiced by the public relations function which could help the GP to enhance their practice. An example of this would be the development of continuing developmental programmes (CPD) functions from which the GP could gain information to enhance the service they offer in their practice. Communicating these types of themes to stakeholders in order to build relationships was deemed as important by the dominant coalition, but received varied responses of importance by the incumbents.

5.2.5 Communication model approaches

The two-way symmetrical communication model will be incorporated into the framework as practitioners who practice two-way symmetrical communication acknowledges and relies on a body of knowledge as well as technique. Their aim is to create mutual understanding and manage conflict between an organisation and stakeholders – building effective relationships (Grunig & White in Grunig, 1992) and creating balance between the organisation and the stakeholders. This model will be highlighted as the dominant coalition viewed functional items based on gaining knowledge (functional items: 4, 5, 9, 16, 19, 3 – public relations/23 and 31 – marketing) as being of high value which could ultimately enhance the functional items based on technique.

Public relations can therefore bring in information with regard to the GP public and marketing can use this information to select a market from those GPs to communicate with and gain referred patients for the specific services set (i.e. cardiac services) they want to develop and grow.

Asymmetrical communication was chosen for a communication model for marketing within the framework as the dominant coalition placed high importance on functional items where information is developed and used internally in order to inform business strategy and develop knowledge and services. Furthermore, the type of communication and techniques executed in order to gain referrals from GPs only tangibly benefits the organisation and can therefore be classified as asymmetrical (Grunig & Hon, 1999). The GP only really gains benefit through a communal relationship.

5.2.6 Paradigms focussed on

Public relations – reflective and relationships paradigm. The reflective paradigm is included as it incorporates society and legitimacy into the organisational mix which is valuable for building trust and commitment. Vercic *et al.* (2001:377), outlines that the reflective paradigm incorporates the following roles: *managerial* – the development of strategies to maintain relations with public groups in order to gain trust/mutual understanding; *operational* – to prepare means of communication for the organisation in order to formulate its communications; *reflective* – to analyse standards and values in society and feed that information into the organisation so that it can adjust accordingly, act responsibly and stay legitimate; *educational* – helping all members of the organisation to become competent in communication so that they can respond effectively to social demands. Relationships are included as it incorporates (Hutton, 1999) managing strategic relationships involving planning, control, feedback and performance as well as *strategic intent* which involves prioritisation, action orientation and focuses on the relationships which will be most relevant to client-organisation goals. Both paradigms therefore facilitate the creation of *balance between the hospital and the publics creating control mutuality. The dominant coalition* placed a high emphasis on functional items incorporating the above such as scanning the environment, identifying issues, acting as an advocate and providing focus and direction in developing communication plans. This relates to the two-way symmetrical model of communication.

The relationship paradigm is included for marketing as there is a created GP market referring patients on a regular basis – this continual referral therefore constituting a relationship. When new services or developments come into play, it is easier to create exchange with an already loyal group where satisfaction, trust and commitment are already evident than what it is to create new markets.

This could create an imbalance of control between the organisation and the GPs as only the organisation gains tangibly, therefore the reflective and relationship public relations approach is needed to create balance. In turn the balance created by public relations is needed for creating effective markets and exchange from the publics. This relationship paradigm for marketing, where only the organisation benefits, relates to the asymmetrical model of communication. In the research, the dominant coalition placed high value on functional items which could create this type of relationship i.e. determining customer attitudes (gained from an established market) in order to direct marketing communication (creating exchange).

5.2.7 Incorporation of research activities

The dominant coalition echoed a high to moderately high value for functional items incorporating research and analyses (items 2,3,5,9 – public relations focus and 7, 23, 31 – marketing focus) with incumbents echoing an average to low involvement within such functional items in the current situation. Therefore this collaboration of research has been included in the framework.

- *Public relations research*: This type of research is more qualitative in nature. It includes **environmental scanning** which is the process by organisation's environment is monitored to analyse and evaluate opportunities and threats as they arise, out of the interaction and relationships with other organisations, social groupings or individuals (Steyn & Puth, 2000:158). This information is usually gathered to inform the creation of knowledge to be used in support of organisation development and designs which could lead to improved performance. In the case of the outlined stakeholder, this type of public relations research can bring information to the marketing function to assist with their output of creating developments and designs in order to gain referrals from the GP market. The second type of research includes **social auditing** which determines the effects the organisation has had on its stakeholders and the extent to which those effects must be corrected (Steyn & Puth, 2000:161). This research will define and determine the perception the GP has of the organisation giving the practitioner insight into how communications should be shaped in order to change or enhance or maintain the specific perception. This brings the general view of the perception into strategising communal communications in contrast to the limited customer view perpetuated by marketing. These audits could incorporate the execution of audience identification and corporate image studies. The third type of research is **evaluation research** and is primarily conducted to ensure or determine the effectiveness of a corporate communication programme and plan. The fourth type of research is **communication content auditing** and is conducted in order to ascertain whether the messages communicated through the communication programme and plan have actually reached the intended target, i.e. the general practitioner (Steyn & Puth, 2000:162). These types of research is reflective in nature and could assist the public relations function create trust, commitment and balance within the relationships as it gives insight into how the stakeholder feels about the organisation in general – creating an opportunity to capitalise on the image created in sustaining a communal relationship. This established communal relationship can then easily be turned into a market as they are already committed.

- *Marketing research*: Marketing research incorporates desk studies of documentation and financial results and seeks to create empirical evidence through more quantitatively orientated research which could indicate the level of satisfaction. An example of this could be the statistical evaluation of referral patterns and results yielded. Changes in patterns and the assumptions of where and when the patterns changed deduced from the statistics could further indicate areas for qualitative research (public relations focussed) to take place. This type of marketing research could therefore inform public relations research that could/should be conducted.

5.2.8 Relationships

5.2.8.1 Maintaining symmetrical relationships

There are various strategies for sustaining symmetrical relationships (Grunig & Hon, 1999; Lendingham & Bruning, 1998) as outlined on p.63 in chapter 2 of this study. Only those strategies pertaining to this proposed framework have been incorporated:

- *Dual concern, unconditionally constructive*: the organisation does what is best for the relationship, incorporating strategies and activities which they know will enhance the relationship with the GPs i.e. operating a pre-admission service for GPs referred patients with assistance in gaining medical aid authorisation.
- *Networking*: organisations should support the same networks their GPs do i.e. the organisation can openly support organisations and interests (work and leisure related) the specific GPs targeted do i.e. supporting their sporting affiliations or organisations they are chair members of such as business associations.
- *Assurances*: parties show that they are committed towards the relationship, they show that their thoughts and concerns are legitimate in a given relationship i.e. issues about the service or specialists working for the hospital that are raised by the GP should be visibly addressed timeously through open and honest direct communication.
- *Integrative*: The goal is to create a win-win situation. Both the organisation and the GP benefits by searching for common goals in solving problems through open discussion and joint decision making i.e. GPs opinions about facilities, services, hospitals and the medical industry in general must be fed through to the organisation and considered when they make decisions. This will also facilitate positivity in creating a positive environment encouraging the GP to operate in the same way.
- *Openness*: Both the hospital group and the GP should be open an honest about their thoughts and feelings. Activities executed by the practitioner should enhance, foster and create a platform for such openness.
- *Access*: the hospital group should show that they are happy to accommodate the GP in terms of being approachable to communicate with.

5.2.8.2 Maintaining asymmetrical relationships

There are various strategies for sustaining asymmetrical relationships (Grunig & Hon, 1999; Lendingham & Bruning, 1998) as outlined on p.64 in chapter 2 of this study. Only the strategy pertaining to this proposed framework has been incorporated:

- *Dual concern - contending*: Although the dual role takes the organisation's and stakeholders' interest into consideration, it results in asymmetrical relationship building as it places emphasis on the organisation's interest over the stakeholders' interest i.e. the hospital group benefits tangibly, growing the organisations competitive advantage, but the GP is not compensated on the same level with monetary advantage. It therefore does not reinforce the most positive long term relationships and therefore needs the advantage and support of the strategies maintaining symmetrical communal relationship in order to create repeat referrals by the GPs. The hospital group, in this strategy, will therefore try to convince the stakeholders to accept their propositions offered – these propositions need to be incorporated.

The above strategies for maintaining relationships have been incorporated in the framework in order to counter or enhance the view displayed by the dominant coalition and the incumbents with regard to the creation of the outcomes indicating successful relationships (Grunig & Hon, 1999). These indicators are trust, commitment, satisfaction and dual concern. Those indicators which substantiate a communal or exchange relationship have also been incorporated. Indicators which were found to be significant, as found in the data analysis of relationships, have been incorporated:

In item 1 (section C of the data analysis, p.129), namely to treat stakeholders fairly and justly, both the dominant coalition and incumbents viewed the dimension of integrity within the relationship indicator of trust as important, the incumbents put a slightly higher emphasis on portraying trust than what the dominant coalition does. This relationship outcome therefore needs to be enhanced as is necessary for stakeholder management through the maintenance strategy of openness and unconditional dual concern.

In item 2 (section C of the data analysis, p.129), both the dominant coalition and incumbents place a similar high importance on portraying integrity with regard to being concerned about the affect the organisations' decisions will have on their stakeholders, which will lead to trust within this relationship. This relationships outcome therefore needs to be enhanced through strategies of contending dual concern, and integration.

In the construct measuring dependability (item 3 and 4, section C of the data analysis, p.130-131) as part of the dimension of trust, the dominant coalition placed importance on showing that the organisation can be relied on to keep its promises, but indicated that showing that the organisation takes the stakeholders' opinions into account when making decisions is less important – strategies needed to be incorporated to combat this as showing you take opinions into account is an important part of creating communal relationships (assurances, integrative and openness strategies).

The incumbents viewed it as very important to show that the organisation can be relied on to keep its promises, but similar to the dominant coalition indicates that showing that the organisation takes their stakeholders' opinions into account when making decisions as less important.

Items 5 and 6 (section C of the data analysis, p.132) indicate the importance placed on competence, as a dimension of creating trust in stakeholders relationships, by the dominant coalition and incumbents. The captured data showed that in terms of showing the organisation's skills, the dominant coalition places far less emphasis on showing the organisation's competence. The incumbents place far more importance on this aspect of relationship building. This is therefore incorporated into the framework in order to show the dominant coalition the importance of encouraging such outcomes from the incumbents (who already deem it important). Strategies incorporated for this purpose are: contending dual concern supported by access. In terms of portraying competence with regard to creating the notion that the organisation can accomplish what it says it will do, both the dominant coalition and incumbents indicate that it is fairly important.

These items (7-9) below, have been incorporated as it is important to isolate the areas needed to on the whole create control mutuality (the dominant coalition placed a higher emphasis on this) as it creates the balance between the organisation and the stakeholder in combating imbalance created by the specific exchange relationship created in this stakeholder relationship.

In terms of showing that the organisation is attentive to what stakeholder parties say (item 7, (section C of the data analysis, p.133), both the dominant coalition and incumbents view it as fairly important, however the incumbents place a slightly higher emphasis on it than the dominant coalition – and should be enhanced through strategies of assurances and openness. In item 8, even though the incumbents view it as important to ensure that the organisation and stakeholders are attentive to what each other say, it shows that the incumbents view showing the belief that the opinions of stakeholders are legitimate as less important. The dominant coalition however places a higher importance on this aspect. This relates to symmetrical relationships and therefore to combat this lack of importance from the incumbents, the strategy of assurance is incorporated.

In item 7 in terms of showing that the organisation is attentive to what stakeholder parties say, both the dominant coalition (mean: 75%) and incumbents view it as fairly important, however the incumbents (mean: 80%) place a slightly higher emphasis on it than the dominant coalition.

Therefore, it is interesting to note that both these parties (dominant coalition mean: 84% and incumbents mean: 90%) indicated that listening to what stakeholders have to say (item 10, section C of the data analysis, p.136), is of an even higher importance than item 7. In other words, it could be an indication that although they find listening to the stakeholders as important, they are not necessarily going to pay special attention to it or take it into consideration. This could be an indication that they view the organisation as having more power over the stakeholders than the stakeholders do over them. This should be addressed in the framework, as the GP stakeholder group does have power over the organisation (even though the power balance could also be in favour of the hospital group as they are the one's benefiting tangibly) as they can stop referring patients. Therefore it is important to take their opinions into consideration. Strategies to do this include: contending dual concern through assurances and openness.

Both the dominant coalition and the incumbents view it as very important to show commitment through being prepared to/trying to make (item 11) and maintain (item 12) (section C of the data analysis, p.137-138) a long term commitment to their stakeholders. This is supported through the strategy of creating assurances. The dominant coalition place emphasis on showing that there is a bond (item 13, section C of the data analysis, p.139) between the organisation and their stakeholders and that they value (item 14 section C of the data analysis, p.139) the relationship. The incumbents however view that showing that they value (item 14) the relationship is of slightly less importance than showing that they have a bond (item 13) with stakeholders. However, both the dominant coalition and incumbents view it as slightly less important to showing that they want to create and maintain relationships with stakeholders. This is therefore combated through the maintaining strategy of access, integration, networking and unconditional dual concern.

Items 15 to 18 (section C of the data analysis, p.141-143) tested the relationship indicator – satisfaction. It is interesting that the dominant coalition view it as important to make sure that the stakeholders are happy with the organisation (item 15), but less important to make sure that both the organisation and the stakeholders benefit from the relationship (item 16). In turn the incumbents view it as less important to make sure that the stakeholders are happy with the organisation (item 15), but view it as more important to make sure that both the organisation and stakeholders benefit from the relationship (item 16). This could be an indication that the dominant coalition places more emphasis on the importance of bringing information into the organisation than it is just making sure that the stakeholder gets something from the relationship. This links with the issue of control mutuality and shows that it is in fact only the hospital which benefits tangibly and obviously the only concern for the dominant coalition. However, as previously discussed, in order to create a long term exchange relationship, in the context of this framework where GPs cannot be compensated tangibly, the exchange relationship definitely needs the communal relationship to exist. Therefore although satisfaction can be created through contending dual concern (incorporated in the framework), the said strategies for maintaining symmetrical relationships needed to be included for creation of prolonged satisfaction in the relationship created.

In item 20 (section C of the data analysis, p.145), it is interesting to note that the dominant coalition does not view the organisation as very concerned with the welfare of stakeholders, but did however indicate that they think the organisation enjoys giving others aid (item 19). However the incumbents viewed the organisation as quite concerned with the welfare of stakeholders. This supports the notion that the dominant coalition, although they view control mutuality, and creating a balance in the relationship with stakeholders as important, they seem to have illustrated a favour towards the balance being in favour of the organisation. Balance needs to be created and is done so by the incorporated communal relationship processes in the framework which will bring balance to the relationship with GPs giving the exchange relationship processes the necessary support to create a long term relationship.

In the items pertaining to the creation of exchange relationships (item 23 to 26, section C of the data analysis, p.147-149) it is clear, that on the whole neither the dominant coalition nor the incumbents view this type of relationship as important. It was therefore needed to include set structures and processes for this type of relationships in the framework. This could suggest that although the hospital group has sound communal relationships, the functions are not supporting each other enough so that exchange is created and patient referrals are gained. However, the dominant coalition and the incumbents were more agreeing of the view that the organisation takes care of people who are likely to reward the organisation, which indicates that the platform for creating exchange is there, however the framework could offer definite outcomes that need to be achieved to take the final step in creating exchange.

The framework therefore needed to show this type of relationship as a set separate structure so that in can be incorporated in the future. Maintaining this type of relationship is executed through contending dual concern.

5.2.9 Measurement of the stakeholder relationship outcomes

It is important to measure the outcomes of the relationships in order to ascertain whether the ultimate goal of creating long term communal relationship and long term exchange relationships in order to ensure repeat referrals and create a tipping point – has been achieved.

The research tools outlined for both public relations and marketing in this chapter (p.169) can also be incorporated as a measurement tool. The patterns and gap analysis indicators therefore drawn-up and extracted through the quantitative research methods and statistical analyses of the GP referrals can indicate valuable research areas for the rich qualitative research conducted by the public relations function. Another area where the marketing and public relations function can collaborate within the realm of stakeholder management both contributing to the creation of knowledge leading to organisational effectiveness.

Therefore the stakeholder management process can be seen as cyclical as the measurement at the end of the cycle will create new knowledge that can be incorporated into the process in order to reshape the dynamics so that the desired outcomes can be created.

As the environment also continually changes (i.e. GPs move practices, changes in medical aid organisations), this type of flexibility and dynamic within the stakeholder process continually allows us to reshape our knowledge and approach stakeholder management in a way that fits the patterns of the current environment.

5.2.10 Conclusion

This framework conceptualisation has been developed by bringing the actual situation in the marketing and public relations realm within the hospital group in question, in relation to what is pertinent within the academic field of public relations, marketing and stakeholder management, through:

- the exploration of theory – examining and ascertaining the important parameters within the structures, concepts and boundaries in the realm of public relations, marketing, stakeholder management, the role of the dominant coalition and what is needed for organisational effectiveness; and
- gaining an understanding, through quantitative research and descriptive data analysis, of: firstly, the demographic profile and skills evident with incumbents and sought after by the dominant coalition in the hospital group in question; and secondly the marketing and public relations functions executed and the stakeholder relationship outcomes achieved as sought by the dominant coalition and currently executed and attained by the incumbents within the hospital group in question.

The PR and marketing incumbents need to bring communal (publics) and exchange (markets) relationships into their planning. The research shows that management can get support from the incumbents with regard to communal relationships in order to guide the strategic business plans of the hospital and ultimately the region, but focus needs to be placed on engaging the 'markets' within the already established relationships and environment created with 'publics' by trust, and commitment. The PR and marketing functions will then truly be fully linked to the business, in their own right, as is needed in excellent organisations as they can pull the communal relationships through to creating markets and exchange which is pivotal to business plans and growth.

The basis of the framework is synthesis of the two functions, namely public relations and marketing. In other words an amalgamation of the two functions, bringing their respective loose parts into relation with each other in order to create sound stakeholder management practices. It does not sacrifice the one function for the other or attempt to integrate the functions, but allows each function to exist in its own right and illustrates the way in which the functions can possibly support each other to create excellent, established stakeholder relationships. As the research showed and highlighted that the organisational structure of the hospital group cannot currently allow for separate incumbents functioning within the roles of both public relations and marketing, a synthesis needed to be created. This will allow one person to be able to adapt the framework to incorporate both public relations type and marketing type functions into their daily activities and critical outputs such as building relationships with referring general practitioners – an important stakeholder in the value chain.

Processes have been incorporated in the framework which will give incumbents, who do not have the necessary background and skill (as highlighted by the research), the needed critical thinking and process pointers for incorporating the correct process into achieving and completing the areas set out in the framework.

In order to elevate the functions provided by the incumbents to a more strategic and involved level, with more direct input into the business strategy of the hospitals (as indicated by the dominant coalition in the research conducted) – strategic type functions for public relations and marketing have been incorporated into the framework as set functional steps and critical activities essential to be executed.

Lastly, each functional step and critical activity included in the framework for both public relations and marketing functions have been linked to achieving a specific relationship outcome, through applied maintenance strategies, deemed as necessary in successful relationships.

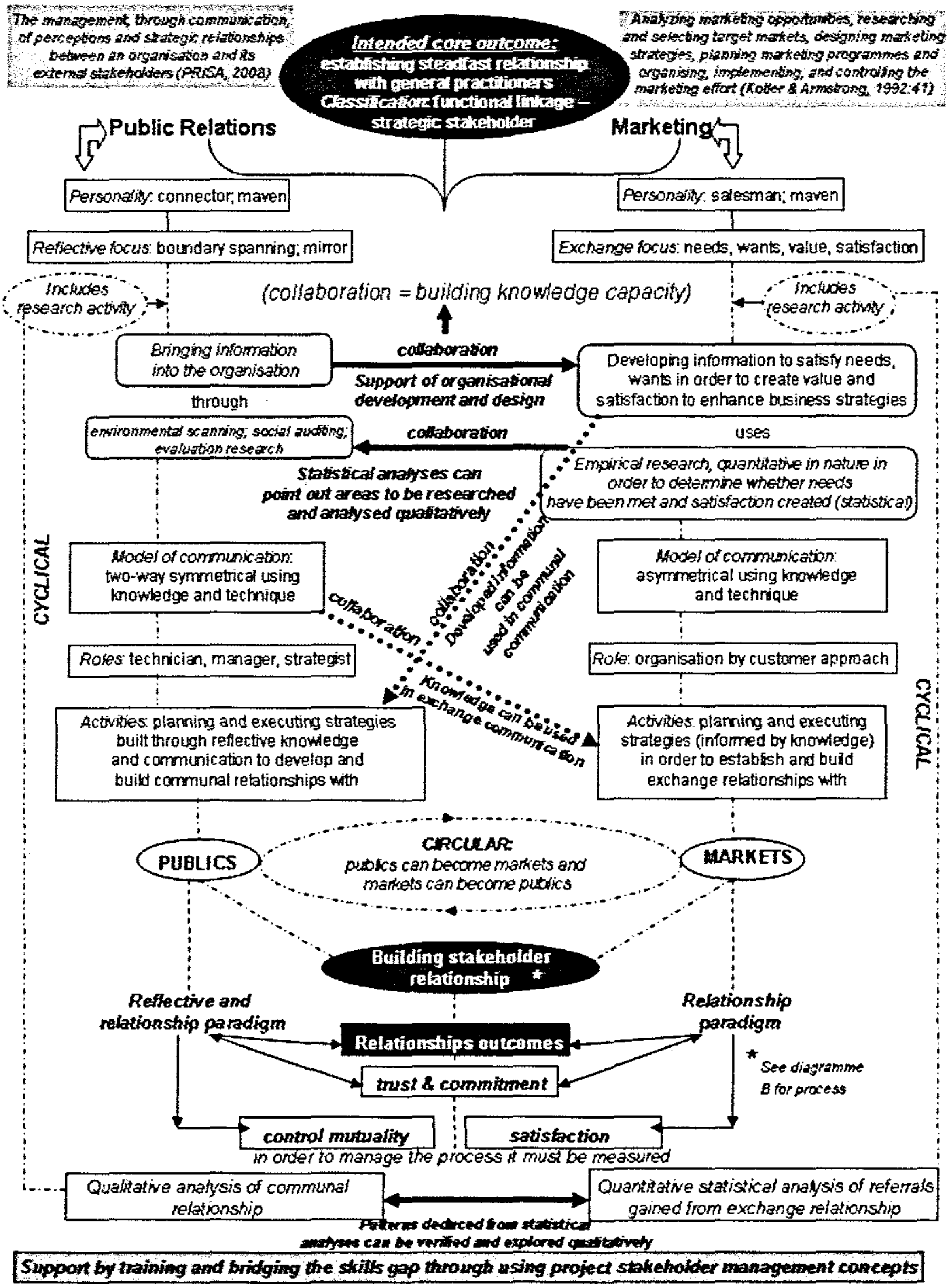
As a final component to the framework a measurement activity and tool has been incorporated so that the outcomes of the framework can be tracked and measured by the public relations/marketing practitioner on a monthly basis. The framework can therefore be seen as cyclical in that monthly measured outcomes can provide an accumulated picture over six months. This can inform or point out where there are gaps in the establishment of both communal and exchange relationships with the general practitioners in order to shape or direct the framework's process for the semester. The framework is also circular as relationships can be sparked by a chance exchange relationship and be an identifier of where a communal relationship can be established in order to later gain continued exchanges; or established communal relationships can create a platform for exchanges to take place.

In this framework, because the GP doesn't really gain anything from the relationship with the hospital, the exchange relationship is considered an asymmetrical, dual concern relationship as the organisation's needs are emphasised (Grunig & Hon, 1999). They are the party receiving the corporeal gain from the relationship, as only the hospital benefits tangibly as more referrals translate to higher patient intake in the hospital which leads to higher revenue and ultimately – profit. Therefore, it is essential that public relations with a focus on communal relationships and marketing works together in a framework of synthesis as it is the communal relationship which keeps the GP interested in the hospital and the hospital top of mind with the GP. Within this context, these two functions need each other as partners as the GP market (those that are already referring patients to the hospital) could become disgruntled and emerge as a public needing to be managed so as to not be lost to the competitors – bringing the expertise of the public relations function to the fore. Similarly, it is pointless for the business to create excellent relationships with a GP public, but not incorporating the necessary skills of the marketing function in order to produce a market and create exchange. Therefore, the public relations function serves a broader social purpose as it needs to create established relationships and feed valuable information from the outside environment into the business arena in order for marketing to reach their ultimate goal. This relationship between the two functions can therefore be seen as circular. Furthermore, the research amongst the dominant coalition has showed that they attribute importance to both PR and marketing and therefore the opportunity exists for both these areas of expertise to operate optimally within the hospital group and contribute to organisational effectiveness.

In terms of the turf wars and issues outlined in chapter 1 and 2 of this study (p.2-69) with regard to whether PR is welcome at the boardroom table – Grunig and Hon (1997) highlights that where the dominant coalition has assigned a high value to the contribution of the public relations department, it has been classified as excellent. In the case of this hospital group, the dominant coalition has assigned a high value to public relations outputs as shown in the research conducted. It is therefore up to the incumbents to step up to the plate and take the opportunity of being involved on a business level in the realm of public relations.

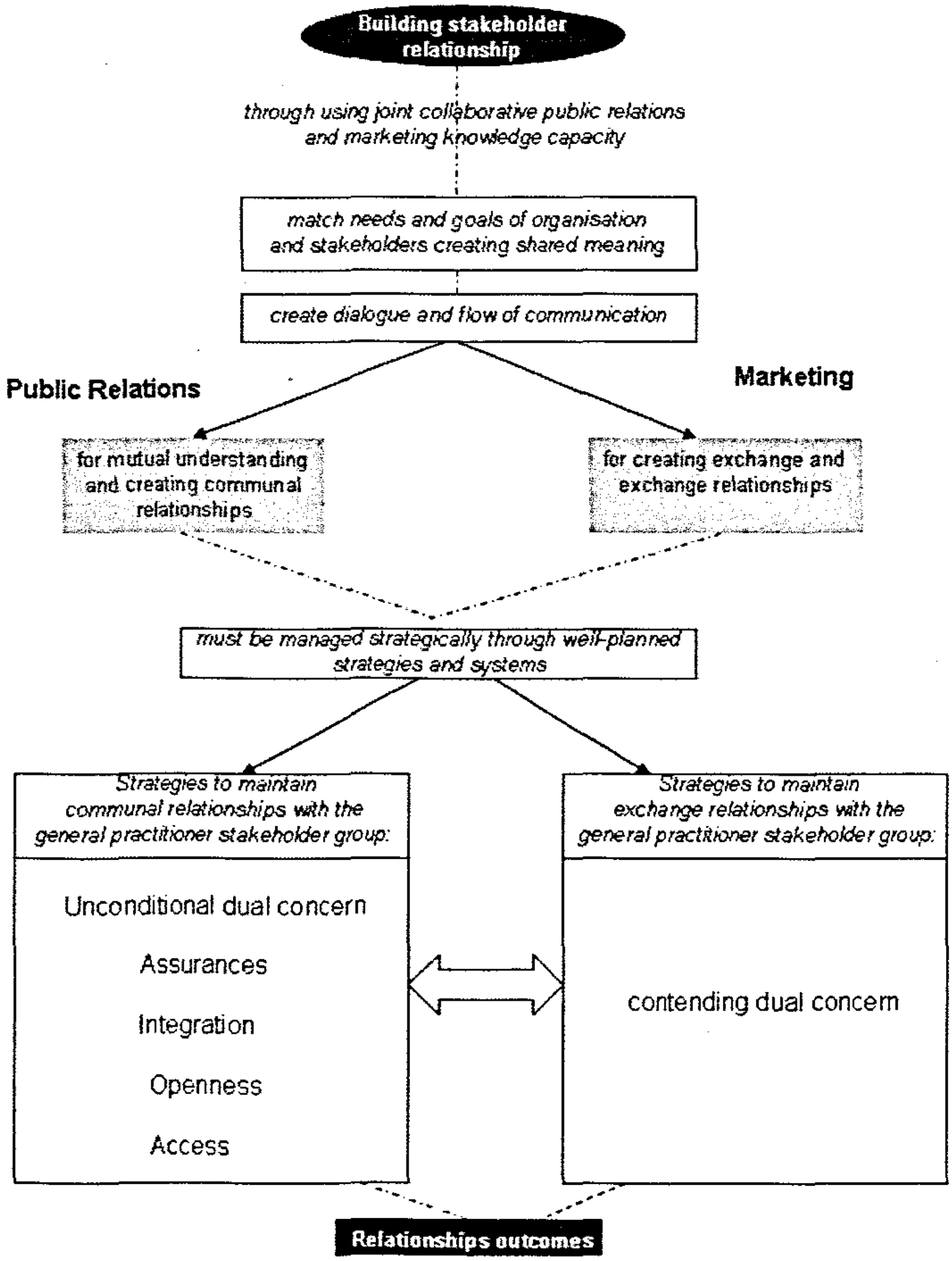
Thus by addressing the significant issues, areas, relationship patterns and influences in the public relations and marketing relationship and stakeholder relationship outcomes (which emerged in the quantitative research study) through the theory outlined in this study – a framework for the collaboration of public relations and marketing in stakeholder management has been designed for the Eastern region of the hospital group which can be further tested, scrutinised and evaluated in future research.

Figure 5.2: Diagrammatic visualisation of the proposed framework – Public relations and marketing: a framework for collaboration in stakeholder management (own conceptualisation based on the research conducted)



The management, through communication, of perceptions and strategic relationships between an organisation and its external stakeholders (PRISA, 2008)
Intended core outcome: establishing steadfast relationship with general practitioners Classification: functional linkage – strategic stakeholder
Analyzing marketing opportunities, researching and selecting target markets, designing marketing strategies, planning marketing programmes and organising, implementing, and controlling the marketing effort (Kotler & Armstrong, 1992:41)
Public Relations
Marketing
Personality: connector; maven
Personality: salesman; maven
Reflective focus: boundary spanning; mirror
Exchange focus: needs, wants, value, satisfaction
Includes research activity
(collaboration = building knowledge capacity)
Includes research activity
Bringing information into the organisation
collaboration
Support of organisational development and design
Developing information to satisfy needs, wants in order to create value and satisfaction to enhance business strategies
through
uses
environmental scanning; social auditing; evaluation research
collaboration
Empirical research, quantitative in nature in order to determine whether needs have been met and satisfaction created (statistical)
Statistical analyses can point out areas to be researched and analysed qualitatively
CYCLICAL
Model of communication: two-way symmetrical using knowledge and technique
collaboration
Developed information can be used in communal communication
Model of communication: asymmetrical using knowledge and technique
collaboration
Roles: technician, manager, strategist
Role: organisation by customer approach
Knowledge can be used in exchange communication
Activities: planning and executing strategies built through reflective knowledge and communication to develop and build communal relationships with
Activities: planning and executing strategies (informed by knowledge) in order to establish and build exchange relationships with
CYCLICAL
PUBLICS
CIRCULAR: publics can become markets and markets can become publics
MARKETS
Building stakeholder relationship *
Reflective and relationship paradigm
Relationship paradigm
Relationships outcomes
trust & commitment
* See diagramme B for process
control mutuality
satisfaction
in order to manage the process it must be measured
Qualitative analysis of communal relationship
Quantitative statistical analysis of referrals gained from exchange relationship
Patterns deduced from statistical analyses can be verified and explored qualitatively
Support by training and bridging the skills gap through using project stakeholder management concepts

***Diagramme B:** *relationship building strategies*



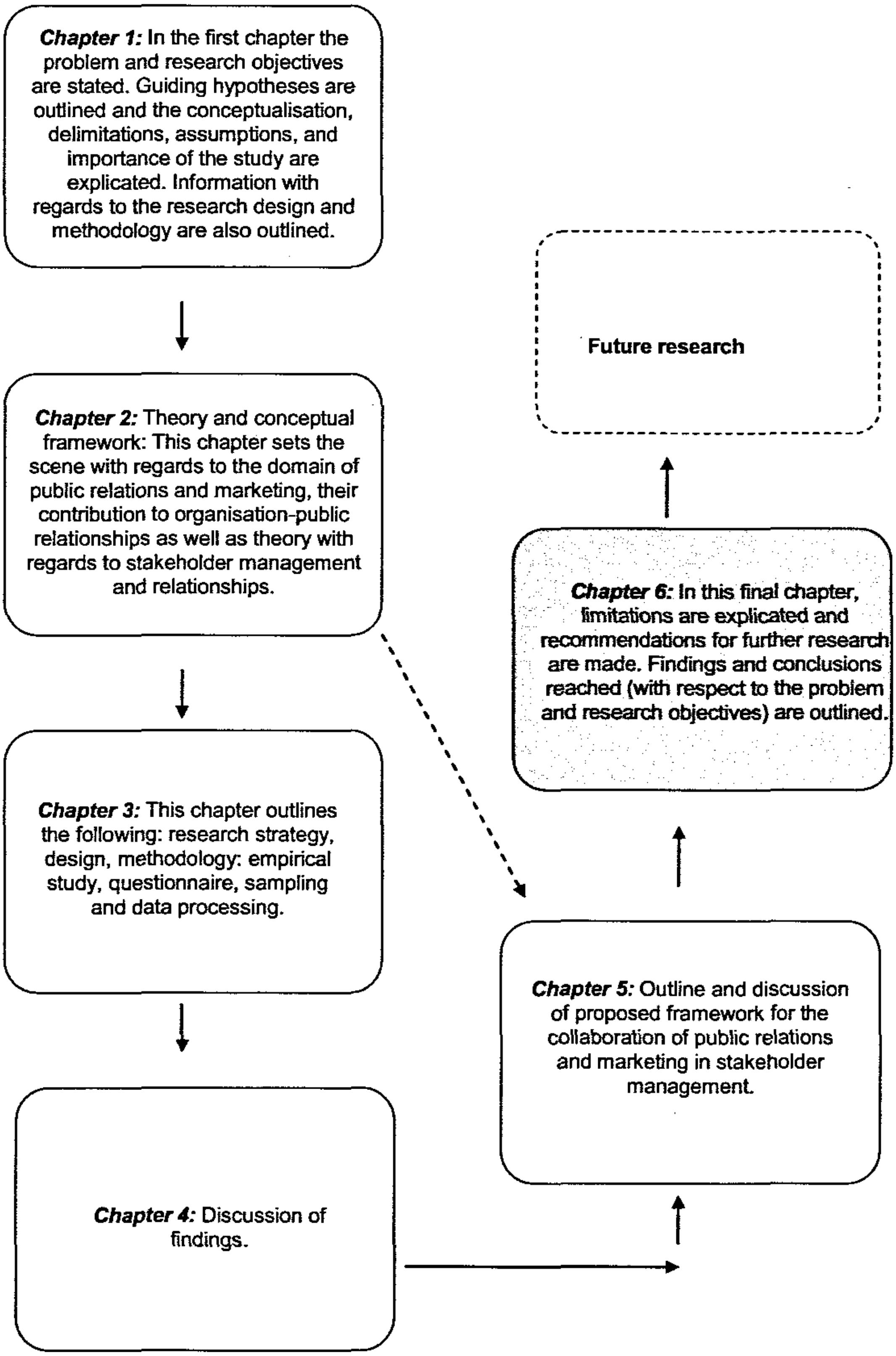


Figure 6.1: Outline of research report

CHAPTER SIX
RECOMMENDATIONS, LIMITATIONS AND CONCLUSIONS

6.1 Limitations of the study

The following limitations with regard to this research study can be outlined as follows:

- Restructuring of the Eastern region which took place during the time the study was prepared (after the initial research proposal) significantly influenced the outcome of this study in that factor analysis and therefore, generalisation to a larger populous could not take place. To combat the problem, the data collection stage was delayed for one week in order to explore the feasibility of including other regions within the hospital group to take part and therefore broaden the sample size. Unfortunately, none of the other regions were willing to take part in the study as it was perceived as an extra workload for hospital managers and incumbents.

- Although incumbents were asked to judge their involvement in certain strategic tasks which make up the strategic input of public relations and marketing in the Life Healthcare hospitals in the Eastern region, their cognisance or understanding of the terminology was not tested or judged. It is therefore possible that their understanding of the word *strategy* and certain terminology used was not the same as the intended meaning for the purpose of this study. Their background in terms of marketing and public relations theory was explored as an indication, but not explored in terms of their in-depth understanding. Adding a qualitative component to this study could be valuable for future research.

- The change in organisational structure as outlined in chapter 4 (p.82) of this study influenced the study in that the data set could not be split into a set answered by only public relations incumbents and a set answered only by marketing incumbents.

- The limited amount of incumbents and dominant coalition members was also influenced by the change in organisational structure; therefore the realisation rate was forced into yielding a very limited data set. Therefore, inferential parametric statistics could not be conducted in order to ascertain the degree to which the independent variable influenced the dependant variable of the study. Furthermore, a factor analysis could also not be conducted in order to deliver data and outcomes which could be generalised across the entire Life Healthcare group. The data analysis could only therefore contain descriptive statistics and describe patterns of relationships from which to make assumptions and extract meaning to be generalised across the unit studied, namely the Eastern region of the hospital group.

- The researcher made use of existing questionnaires previously used within other industries for measuring the relationship between marketing and public relations; and the outcome of relationships. This could be a limiting factor as the functional items studied were not tailored specifically for the hospital industry. The questionnaire should be redesigned and could be shaped (through using this study) in order to eliminate those functional items which did not deliver a significant data set.

- The fact that this study is very organisation specific narrows the usability of the data and outcomes to the Life group. The situation within other hospital groups can be quite the opposite.

6.2 Recommendations for this study

The study should be taken further within the hospital group and possibly implemented in the other hospital regions as well so that inferential parametric statistics can determine the degree of influence factors such as skill, demographics, background/experience, management attitudes has on the relationship between public relations and marketing. This study could only assume through the use of descriptive statistics what these influences could be. These assumptions could be tested in further research in order to determine their validity. By implementing this study in other regions as well would allow factor analysis to be included in the statistical analysis making it possible to generalise data across the entire group and not just one region.

Before this type of research is conducted again, some level of training and skills tests should be conducted with incumbents to be included in the study in order to ascertain their level of understanding of the functional items before the study is conducted – therefore adding a qualitative research structure to this study. Although the questionnaire was pre-tested amongst a small group of the sample in order to ascertain if there is any issues with regard to readability and understanding, their comprehension of items were not tested.

6.3 Recommendations for management

The findings of this study can be translated into opportunities for the regional management team of the hospitals. It can be used to address certain issues, incorporate further projects and realign certain corporate processes in order to create an optimum environment for the effective incorporation and development of public relations and marketing in the organisation:

6.3.1 Skills training

This study showed that incumbents do not have the necessary skill and experiences in terms of what the dominant coalition would like to see. Furthermore the data analysis showed that although the dominant coalition would like the incumbents to operate on a strategic level, the incumbents themselves indicated only a lower level functioning within the functional items studied. One of the reasons for this could be that they do not have the necessary skill and know how. Therefore training for incumbents in the area of the strategic roles of public relations and marketing as well as training with regard to the patterns and functions existing within these two domains as it pertains to the hospital industry is recommended.

6.3.2 Appointment of new incumbents

Management should be cognisant of the above shortcomings in the skills level of incumbents so that when an incumbent's post becomes vacant, they can use the opportunity to make the right appointment for the vacant post. This would start filtering the necessary expertise into the region in question and help to start operating public relations and marketing on a level where it can be of more value.

6.3.3 Uniform key performance areas included in joint performance management

As mentioned before with regard to the data analysis showing that although the dominant coalition would like the incumbents to operate on a strategic level, the incumbents themselves indicated only a lower level functioning within the functional items studied. Another reason could be that although the dominant coalition agreed on the level of functioning, it was not translated into the key performance areas outlined for each incumbent. It is suggested that the regional management team (which includes the hospital managers incorporated in the sample of the study) get together in order to create a uniform joint performance system with clearly outlined key performance areas creating a platform for the same outcomes to be achieved in each of the hospitals. This will also assist with creating a better brand presence for the entire region. Due to the structure of the organisation not currently allowing for individualised incumbents (public relations and marketing), these key performance areas should include public relations and marketing aspects as can be gained from the framework proposed.

6.4.4 Knowledge sharing

Knowledge sharing amongst hospitals: public relations and marketing knowledge within hospitals should be shared amongst the hospitals in order for incumbents to create a more uniformed focus in activities which will benefit the region as a whole. Furthermore, although the study cannot be generalised across the entire group of hospitals, the data and information in this study could be shared with other regions as it could direct those hospital teams to areas they can address in order to build capacity.

6.4.5 Realigning strategic stakeholder focus

In terms of the dominant coalition's view of strategic stakeholder management placing more emphasis on publics, they should align their focus to encompass a redefinition of stakeholders to make sure that all are reached and engaged with properly i.e. publics and markets. The proposed framework could assist with this process.

6.5 Future research

As mentioned above, due to the realisation rate of this study, not enough responses were received to rule on how the independent variables of this study influenced the dependant variable, through factor analysis. Therefore, the first suggestion for future research is to conduct the research with an expanded sample base in order to ascertain how skills, various PR and marketing functions (outputs) and outcomes of stakeholder relationships could influence the relationship between PR and marketing and to add a qualitative study to the process. Through descriptive statistics, this study showed that influences are evident, but it could not ascertain to what degree the one aspect influenced the other.

6.5.1 Empirically testing the proposed framework from this study

In order to achieve the above, the current existing patterns of relationships with GPs in the Eastern region should be tested. The tested relationship outcome indicators in this study (section C of the used questionnaire) can be used for this purpose. This first phase of the proposed study will ascertain the value of current stakeholder management outputs as viewed by the stakeholders. As part of the second phase of the study, a field test could be instituted by implementing the proposed framework in the hospitals over a set period of time. As a final phase of the study, the first phase of the proposed study could be conducted again in order to compare and review the two data sets (phase one and three) so as to ascertain whether the implemented framework made an impact and yielded results. Thus pointing to stronger communal and exchange relationships and how the GPs' views have changed.

6.5.2 Towards creating a norm for practicing stakeholder management in the hospital industry

The study can be spread across the three largest private hospital groups in South Africa in order to put forth and establish a norm for stakeholder management across the hospital industry. To do this, the study should be expanded to a national (quantitative) study amongst the various hospital groups in the country in order to test if the same findings emerge and therefore to allow for generalisation of the findings to the private healthcare population at large.

6.5.3 Further analyses so as to ascertain the level of public relations and marketing contribution in business strategy

To conduct research so as to ascertain to what level of business strategy (enterprise level, corporate/business level, operational or functional strategy) the public relations and marketing function contributes to within a hospital environment.

6.6 Propositions for further study

As it was not possible to measure and statistically validate some of the proposed outcomes and actual findings of this study, (only assumptions could be made through scrutinising descriptive statistics due to the sample size influenced by unanticipated restructuring of the organisation) the outcomes and findings have been rephrased into propositions which could be tested in further future research:

Proposition 1: Incumbents in a public relations or marketing position should have theoretical background, not only practical experience in order to operate the function at optimal level.

Proposition 2: A lack of theoretical knowledge by incumbents influences their view of the importance of strategic outcomes in public relations and marketing.

Proposition 3: The outcomes of the functional items performed by the incumbents in public relations and marketing positions are influenced by the dominant coalition's view of the importance of the contribution to business strategy.

Proposition 4: The type of stakeholder relationships formed depends on the level of expertise displayed by the public relations or marketing practitioner.

Proposition 5: Already pre-existing perceived stakeholders dictated by the environment within the hospital context influences the way stakeholder management is practiced by the hospital.

6.7 Conclusion

The core of the research problem was outlined as being two-fold: firstly, it rested on the research and literature with regard to the issues between public relations and marketing as strategic functions. Secondly, it examined the importance of the incorporations of stakeholder management and relationships as brought to the fore by the new business paradigm where the triple bottom line has become key.

Conclusions found in the theoretical outline of this study as pertaining to phase one and research objective one of this study, namely to through theory, explore the boundaries of the public relations and marketing function and their contribution to stakeholder management and relationships are (the theory is fully explained and referenced in chapter two, p.26-69 of this study):

The discussions presented in the articles reviewed for this study, with regard to the disciplinary boundaries of public relations seem to be rather wide in its approaches to the subject. Scholars are attempting to create a global concept of the profession based on looking at various elements – some use technique to define the profession, others use purpose, others measure it against what is not done by other management functions or surmise where public relations can support these functions. Therefore, the ultimate definition and boundaries of public relations depends on what angle it is viewed from.

What seems to confound matters with regard to the demarcation of the field of public relations is the issue of encroachment and integration. The issue of encroachment and integration could have been amplified as public relations is pragmatic in origin in other words it was practiced before the attempt was made to formalise it. Theory examined (as outlined in chapter 2, p.67) supports the fact that public relations have a contribution to make to organisational effectiveness in its own right. Contributing to marketing knowledge doesn't have to be viewed as support; it could be viewed as collaboration as it could strengthen and sustain actions of marketing and vice versa.

The role of technician in public relations includes support and execution tasks; with the role of manager and strategist including management issues as it connects to the organisation as a whole and explores the entire business environment, internally and externally. Public relations implementation and collaboration is focussed on two tiers.

On the one hand it could inform the dominant coalition of important environmental factors in order to contribute to the strategy formulation process as well as compile and manage communication strategy and programmes. On the other hand – it could play a vital role in pooling and collaborating their expertise and knowledge with other functionalities assisting to make sure that all organisational decisions, dynamics and ideas are holistically incorporated into all the functionalities of the organisation (such as marketing and human resources) making sure that all these functionalities are in line with strategy. Thus, the role it has to play does not have to be an issue of encroachment, diminishing the ultimate role of public relations.

Public relations could be viewed as the glue that pulls all the messages needed to be executed by management disciplines (such as marketing) together in one communication strategy and therefore develops a plan for each of these areas in terms of linking to and using communication to build the necessary relationships with stakeholders. This will also lead to and show that both paradigms outlined can be obtained in PR theory. The reflective paradigm informs the strategic leg of PR and the relationship paradigm informs the managerial and technician leg of PR. The models used (in other words the way PR is practised) will be informed by the type of organisation, situation and objectives needed to be achieved. The discipline is the platform it is practised on – keeping it confined to the area of social and management sciences. The perspectives can inform how the roles will be structured within the organisation – which links back to the type of organisation and needs of the dominant coalition. The profession is defined by the fact that they focus more on publics; and activities and roles are designed to establish reflective and communal relationships.

Therefore, integration with other disciplines should be guarded against and focus should be placed on synthesis and how the discipline of public relations could collaborate with other functions strategically without loosing its own identity.

The marketing function, in essence, has a strong focus based on the four p's, namely product, place, price and promotion and is mostly concerned with sales and market share. It can be distinguished by taking a look at what type of target public it focuses on, namely markets. Markets are characterised by the fact that they are chosen by the organisation to help fulfil its goals. Organisations can choose to ignore markets if they want to. Marketing practitioners aim to create and focus on markets that can use the company's product or services. The marketing function is concerned with consumers and their markets are concerned with the services/products offered and their availability.

Marketing aims to maintain a positive impact on the demand for a company's products and services through the marketing mix made up of product, planning, pricing, placement and promotion. There has been a shift in marketing from the exchange/transactional perspective which was based on value distribution and outcome to the relationship perspective which is based on process and value creation which brings about repeat purchase and brand loyalty. This shift also indicates that there is no longer a short term action of exchange where a consumer just buys a product or service, but a long term notion of relationship which implies an association of the parties.

It is important to note that both relationship management functions have distinctive roles to play within the organisation and therefore the one process must not be placed above the other. They both have roles to play within management and strategic communication. There should be an understanding in the organisation that relationship management in PR won't always offer direct returns, but can build a foundation so as to make the organisation more resilient against threats that may arise. Spending only on marketing relationships, as it has a direct return on investment, would render the organisation vulnerable within its broader publics.

If an organisation truly wants to follow both these relationship management concepts it will bring about changes in the role definitions within the marketing and PR departments. The PR department will need to employ practitioners who don't only offer the technical aspects of executing PR, but PR managers who understand the role of strategic relationships within a broader organisational framework. The marketing department would have to employ individuals who can manage the *process* of relationship marketing rather than just the management of the outcome i.e. sales and market share.

However, as seen through the research conducted the constructs defining the nature of the practise of public relations and marketing is dynamic in the sense that it is influenced by variables such as the type of organisation, the level of competency and skill of the incumbents practising the said functions and the level of understanding the dominant coalition within the organisation holds with regard to the field and outcomes.

The nature of the public relations and marketing functions as outlined above put both of these functions in the spotlight with regard to stakeholder management as it is important that an organisation must truly understand the implications of its actions in relation to stakeholders if it is to be effective. It is imperative that stakeholders' expectations and organisational behaviour overlap.

Thus in order for an organisation to be effective, it needs to be in touch with its various publics (public relations focus), determine what their needs and wants are (marketing focus) and how they can best be achieved by all working together toward common goals (synthesis in functions). This is a key factor in building trust and relationships (stakeholder management focus) so that goals can be accomplished (Grunig & Grunig, 1998). It is important to realise that "relationships lead to favourable representations of an organisation and positive evaluations of performance of the organisation," (Yang & Grunig, 2005:305) "cultivating quality relationship outcomes with strategic publics enables organisations to reduce costs and to elevate organisational autonomy in goal attainment" (Yang & Grunig, 2005:306). Thus, stakeholder management is a key issue in creating organisational effectiveness, but to be used successfully it must be connected to the central themes in business strategy (Freeman & Liedtka, 1997). An obvious place to link stakeholder management into business strategy is public relations and marketing. However, it is just as important to note that public relations and marketing can only operate properly if the dominant coalition of an organisation sees it as equal partners in the strategic management function (Grunig & Grunig, 1998).

The research within the hospital group (as outlined in phase two of the research – research objective one, chapter 3: p.72) has shown that there is a need for public relations as well as marketing outcomes in the realm of stakeholder management in the context of the hospital group studied. This set the platform for creating a proposed framework (as outlined in phase two of the research – research objective two, chapter 3: p.72) for how these two functions can collaborate in the stakeholder management process through using one of the important stakeholders present within the hospital value chain, namely general practitioners, to illustrate the possible collaboration areas and address the issues found in the quantitative study.

This study has conceptualised a framework for the collaboration of public relations and marketing and showed, that within the context of the hospital environment studied, that both have a role to play in the management of the specific stakeholder pertinent to the hospital value chain. The framework can be empirically tested in further studies.

Furthermore, the study has empirically verified that, public relations can contribute to a business level within the hospital environment (as indicated by the importance placed on the strategic public relations outcomes researched in section B of the study) by the dominant coalition.

Similarly, items indicating a marketing focus (although indicated as being slightly less important within the business environment of hospitals in comparison to public relations) was also seen as pertinent and outcomes which needed to be addressed in the business environment. This indicating that public relations and marketing can contribute to a business environment in their own right, without needing to be incorporated as a sub-set of each other. However, a concern is that the incumbents are not rising to the occasion in that, although they incorporate the studied outcomes into their work, they do not place a high value on it or see it as important as the dominant coalition, thereby missing the opportunity to operate on a business level. Therefore, the marketing and public relations function is not capitalised on within the business environment, with valuable opportunities going amiss.

Furthermore, the public relations dominance indicated by both the dominant coalition and incumbents in the public relations/marketing function, is impacting negatively on marketing's contribution to the business unit in that exchange relationships cannot be created or pursued properly within the hospital environment – specifically related to the GP stakeholder group. Valuable opportunities could be lost with regard to gaining patient referrals and ultimately, market share. Therefore, when stakeholder groups are viewed only as publics and communal, markets cannot be created from them.

There is also clearly a lack of skill within the public relations and marketing environment within the hospitals. This needs to be addressed in order for the hospital business environment to gain optimal advantage from these functions. Much work and re-evaluation of the situation and corporate structure will be needed in order to make sure that the right skills are evident in order to maintain the level of public relations functions needed and incorporate a more focussed marketing approach.

External to the hospital group studied, the research conducted has touched on some noteworthy findings with regard to how public relations and marketing processes explicated in theory (phase one and research objective one, chapter 3: p.72) of this study can be applied and incorporated into a private healthcare environment. These findings could be tested in various private healthcare environments in order to determine whether the same findings emerge and can therefore be generalised to shaping the practice of public relations and marketing specifically for the private healthcare industry, thereby setting the norm for a best practice approach.
This could also, ultimately, contribute to the existing literature and debate of the relationship between public relations and marketing within a business environment and improve the understanding of the various individual contributions they have to make.

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APPENDICES

Appendix A: Questionnaire sent to the dominant coalition in the Eastern region of the hospital group studied

RESEARCH STUDY ON THE COLLABORATION OF PUBLIC RELATIONS AND MARKETING IN STAKEHOLDER MANAGEMENT IN THE LIFE HEALTHCARE GROUP OF HOSPITALS – EASTERN REGION

The first aim of this research is to describe the current as well as envisaged contribution of the public relations and marketing departments within Life Healthcare hospitals. The second aim of this research is to establish the current and envisaged outcome of relationships with stakeholders. The questionnaire is to be completed by incumbents in public relations and marketing posts (including line managers responsible for these functions) as well as hospital managers within Life Healthcare hospitals in the Eastern region.

To assist in interpreting your responses, questions relating to educational levels of your public relations and marketing personnel are included (Section A). Be assured that the data will be treated in strictest confidence and will be used for research purposes only.

Please complete this questionnaire by Friday, 28 November 2008 and e-mail back to Liesel van Oudenhove at liesel.vanoudenhove@lifehealthcare.co.za

HOW TO COMPLETE THE QUESTIONNAIRE:

The questionnaire consists of a number of statements regarding activities that could possibly be performed by public relations and marketing incumbents employed in your hospital. Please read the questions carefully and make sure that you answer all of them.

Please rate your need of the extent of what you would like your public relations and marketing personnel to achieve with regard to the activity mentioned in the statement, on a scale of 1 to 7. For instance, if your need for their contribution with regard to a particular activity is **HIGH**, circle number 7. If your need for their contribution with regard to the activity is **LOW**, circle number 1. Or circle any of the numbers in between, depending on the extent to which you would like your public relations and marketing personnel to be contributing to the specific activity. If you don't know or are not sure whether you do in fact would like them to contribute to a particular activity, mark the last column **DON'T KNOW (DK)**, indicated with a question mark **(?)**. Please note that when there is a reference to 'Life Healthcare hospitals' it refers to the hospital you are the manager of:

EXAMPLE

ACTIVITIES TO BE RATED	**MY PERCEPTION OF THE EXTENT OF MY EMPLOYEES CONTRIBUTION TO THE ACTIVITY**							
	Mark a number from 1 to 7. If you don't know or are not sure that your personnel should contribute, mark *Don't Know* (DK) in the last column							
	LOW<——————>HIGH							**DK**
To contribute to setting the tone for how Life Healthcare hospitals deal with stakeholders who have political power	1	2 **X**	3	4	5	6	7	?

Thank you for your willingness to participate in this study.

Please contact me should you have any questions:
Liesel van Oudenhove, Public Relations Officer

Email: liesel.vanoudenhove@lifehealthcare.co.za Tel: (051) 505 5424/083 400 900 2

Section A: Background information

Please provide your job title (in full):

Please mark with an 'X' below, the box indicating your gender.

Male	
Female	

Please mark with an 'X' below, the box indicating the field of specialisation in which you would like your public relations personnel member to be trained in.

Marketing		
Communication/Public Relations		
Other (Please specify)		

Please mark with an 'X' below, the box indicating the field of specialisation in which you would like your marketing personnel member to be trained in.

Marketing		
Communication/Public Relations		
Other (Please specify)		

Please mark with an 'X' below, the box indicating the level of education you would like your public relations and marketing personnel to have:

Educational Level		**Specific Qualification** *(i.e. marketing, communication, public relations, journalism, business management etc.)*
1 Matric		
2 Certificate		
3 Diploma		
4 Degree		
5 Honours		
6 Masters		
7 Doctorate		
8 Other (Please specify)		

Section B: Public Relations/Marketing contribution in Life Healthcare hospitals

The statements below refer to possible activities of a public relations or marketing practitioner/manager within Life Healthcare hospitals. Please use the scale from 1-7 to indicate your need with regard to the activities you would like your public relations and marketing personnel/employees to be engaged in. Please note that where questions use the term "Life Healthcare hospitals" it refers to the hospital you are the manager of/line manager of the public relations/marketing function.

ACTIVITIES TO BE RATED	**MY PERCEPTION OF THE EXTENT OF MY PUBLIC RELATIONS AND MARKETING PERSONNELS' CONTRIBUTION TO THE ACTIVITY**							
	Mark a number from 1 to 7. If you don't know or are not sure that your personnel should contribute, mark *Don't Know* (DK) in the last column.							
	LOW<——————>HIGH							**DK**
1. To make an input into decisions that will result in improving Life Healthcare hospitals' financial performance.	1	2	3	4	5	6	7	?
2. To do an overall communication channel analysis as a form of stock taking on the communication channels (to be) used to communicate to stakeholders.	1	2	3	4	5	6	7	?
3. To identify issues that pose a risk to Life Healthcare hospitals' reputation.	1	2	3	4	5	6	7	?
4. To identify Life Healthcare hospitals' strategic stakeholders for the purpose of developing marketing communication strategy.	1	2	3	4	5	6	7	?
5. To do research in order to determine stakeholder attitudes towards Life Healthcare hospitals before conducting corporate communication programmes.	1	2	3	4	5	6	7	?
6. To develop corporate communication strategy in support of Life Healthcare hospitals' top level strategies.	1	2	3	4	5	6	7	?
7. To provide a customer perspective for purposes of strategy formulation within Life Healthcare hospitals.	1	2	3	4	5	6	7	?
8. To establish key short-term objectives to achieve corporate communication goals that were set.	1	2	3	4	5	6	7	?
9. To analyse Life Healthcare hospitals' environment in order to gain insight that is useful to senior management in strategic decision making.	1	2	3	4	5	6	7	?
10. To work together with other functions in support of Life Healthcare hospitals' top level strategies.	1	2	3	4	5	6	7	?
11. To decide on the specific channels to be used to transmit messages to stakeholders such as Life Healthcare hospitals' doctors and referring General Practitioners.	1	2	3	4	5	6	7	?
12. To build relationships with resident doctors/referring General Practitioners.	1	2	3	4	5	6	7	?
13. To assist senior management to formulate Life Healthcare hospitals' social responsibilities.	1	2	3	4	5	6	7	?
14. To assist in the development of strategic perspectives for business unit(s) (i.e. different medical units such as trauma, cardiac etc.) within the hospital environment to direct its future course.	1	2	3	4	5	6	7	?

ACTIVITIES TO BE RATED	MY PERCEPTION OF THE EXTENT OF MY PUBLIC RELATIONS AND MARKETING PERSONNELS' CONTRIBUTION TO THE ACTIVITY							
	Mark a number from 1 to 7. If you don't know or are not sure that your personnel should contribute, mark *Don't Know* (DK) in the last column.							
	LOW<——————>HIGH							DK
15. To contribute to decision making to produce a sustainable competitive advantage for Life Healthcare hospitals' divisions.	1	2	3	4	5	6	7	?
16. To facilitate the cross-functional process of reputation risk management.	1	2	3	4	5	6	7	?
17. To contribute to decision making on diversification/strategic alliances/joint ventures for Life Healthcare hospitals.	1	2	3	4	5	6	7	?
18. To develop implementation strategies to achieve corporate communication goals.	1	2	3	4	5	6	7	?
19. To act as an advocate for key stakeholders by explaining their views to management.	1	2	3	4	5	6	7	?
20. To provide focus/direction to the group communication function by developing a framework for communication plans.	1	2	3	4	5	6	7	?
21. To make a contribution in formulating the brand essence.	1	2	3	4	5	6	7	?
22. To develop communication policy for Life Healthcare hospitals i.e. decide who is allowed to communicate what to whom.	1	2	3	4	5	6	7	?
23. To do research in order to determine customer attitudes towards Life Healthcare hospitals before conducting marketing communication programmes.	1	2	3	4	5	6	7	?
24. To develop implementation strategies to achieve marketing goals.	1	2	3	4	5	6	7	?
25. To decide on the marketing communication mix to be used to transmit core product messages to customers.	1	2	3	4	5	6	7	?
26. To provide focus/direction to the group marketing function by developing a framework for marketing plans.	1	2	3	4	5	6	7	?
27. To develop themes to be communicated to Life Healthcare hospitals' stakeholders.	1	2	3	4	5	6	7	?
28. To establish key short-term objectives to achieve marketing goals that were set.	1	2	3	4	5	6	7	?
29. To develop marketing strategy for a specific product/segment.	1	2	3	4	5	6	7	?
30. To be involved in defining the approach of an individual business unit(s) in competing in a chosen market/industry segment.	1	2	3	4	5	6	7	?
31. To act as an 'early warning system' to top management before market trends erode Life Healthcare hospitals' competitive advantage.	1	2	3	4	5	6	7	?
32. To assist in deciding on the proper positioning of certain products (i.e. cardiac, joint replacements, maternity/Little Life offerings etc.)	1	2	3	4	5	6	7	?

ACTIVITIES TO BE RATED	MY PERCEPTION OF THE EXTENT OF MY PUBLIC RELATIONS AND MARKETING PERSONNELS' CONTRIBUTION TO THE ACTIVITY							
	Mark a number from 1 to 7. If you don't know or are not sure that your personnel should contribute, mark *Don't Know* (DK) in the last column.							
	LOW<————————>HIGH							DK
33. To build relationships with stakeholders in the value chain such as specialists and referring General Practitioners.	1	2	3	4	5	6	7	?

Section C: Relationship outcomes with stakeholders

Stakeholders are groups and/or individuals whose behaviour has consequences for Life Healthcare hospitals' decisions/strategies, and Life Healthcare hospitals' behaviour/decisions/strategies have consequences for them. Below are a number of objectives that could be achieved within the public relations and marketing personnel's scope of work/statements describing your organisation - please use the scale from 1 to 5 to indicate whether you agree or disagree with the statement. In the statements 'this organisation' refers to the Life Healthcare hospital you are the manager of/line manager of the public relations/marketing function.
State whether you agree or disagree (on the scales provided) whether the extent of your public relations and marketing personnel's work includes:

What your public relations and marketing Personnel's work entails	Do you agree or disagree with the work outlined				
	Mark a number from 1 to 5				
	Strongly disagree **1**	**Disagree** **2**	**Don't agree or disagree** **3**	**Agree** **4**	**Strongly agree** **5**
1. To treat stakeholders fairly and justly.	1	2	3	4	5
2. To be concerned about the affect the organisation's decisions has on stakeholders.	1	2	3	4	5
3. To show that this organisation can be relied on to keep its promises.	1	2	3	4	5
4. To show that this organisation takes the opinions of stakeholders into account when making decisions.	1	2	3	4	5
5. To show the organisation's skills.	1	2	3	4	5
6. To show that the organisation has the ability to accomplish what it says it will do.	1	2	3	4	5
7. To ensure that the organisation and stakeholders are attentive to what each other say.	1	2	3	4	5
8. To show that this organisation believes that the opinions of stakeholders are legitimate.	1	2	3	4	5
9. To throw the organisation's weight around in dealing with stakeholders.	1	2	3	4	5
10. To make sure the organisation really listens to what stakeholders have to say.	1	2	3	4	5

What your public relations and marketing Personnel's work entails	Do you agree or disagree with the work outlined				
	Mark a number from 1 to 5				
	Strongly disagree 1	**Disagree 2**	**Don't agree or disagree 3**	**Agree 4**	**Strongly agree 5**
11. To convey the feeling that the organisation is trying to maintain a long-term commitment to stakeholders.	1	2	3	4	5
12. To show that the organisation wants to maintain a relationship with stakeholders.	1	2	3	4	5
13. To show that there is a long-lasting bond between the organisation and stakeholders.	1	2	3	4	5
14. To show that the organisation, values their relationship with stakeholders.	1	2	3	4	5
15. To assist in making sure that stakeholders are happy with the organisation.	1	2	3	4	5
16. To assist in making sure that both the organisation and stakeholders benefit from the relationship.	1	2	3	4	5
17. To assist in making sure that most stakeholders are happy in their interactions with the organisation.	1	2	3	4	5
18. To generally make sure that stakeholders are pleased with the relationship the organisation has established with stakeholders.	1	2	3	4	5

State whether you agree or disagree with the following statements about your organisation (on the scales provided):

What your public relations and marketing Personnel's work entails	Do you agree or disagree with the work outlined				
	Mark a number from 1 to 5				
	Strongly disagree 1	**Disagree 2**	**Don't agree or disagree 3**	**Agree 4**	**Strongly agree 5**
19. This organisation does not especially enjoy giving others aid.	1	2	3	4	5
20. This organisation is very concerned about the welfare of stakeholders.	1	2	3	4	5
21. This organisation takes advantage of people who are vulnerable.	1	2	3	4	5
22. I think that this organisation succeeds by stepping on other people.	1	2	3	4	5
23. Whenever this organisation gives or offers something to stakeholders, it generally expects something in return.	1	2	3	4	5
24. Even though stakeholders have had a relationship with this organisation for a long time, it still expects something in return whenever it offers them a favour.	1	2	3	4	5
25. This organisation will compromise with	1	2	3	4	5

What your public relations and marketing Personnel's work entails	Do you agree or disagree with the work outlined				
	Mark a number from 1 to 5				
stakeholders when it knows that it will gain something.					
26. This organisation takes care of people who are likely to reward the organisation.	1	2	3	4	5

Thank you for your time.

Appendix B: Questionnaire sent to the public relations and marketing incumbents in the Eastern region of the hospital group studied

RESEARCH STUDY ON THE COLLABORATION OF PUBLIC RELATIONS AND MARKETING IN STAKEHOLDER MANAGEMENT IN THE LIFE HEALTHCARE GROUP OF HOSPITALS – EASTERN REGION

The first aim of this research is to describe the current as well as envisaged contribution of the public relations and marketing departments within Life Healthcare hospitals. The second aim of this research is to establish the current and envisaged outcome of relationships with stakeholders. The questionnaire is to be completed by incumbents in public relations and marketing posts (including line managers responsible for these functions) as well as hospital managers within Life Healthcare hospitals in the Eastern region.

To assist in interpreting your responses, questions relating to your own background are included (Section A). Be assured that the data will be treated in strictest confidence and will be used for research purposes only.

Please complete this questionnaire by Friday, 28 November 2008 and e-mail back to Liesel van Oudenhove at liesel.vanoudenhove@lifehealthcare.co.za.

HOW TO COMPLETE THE QUESTIONNAIRE:

The questionnaire consists of a number of statements regarding activities that could possibly be performed by public relations and marketing incumbents. Please read the questions carefully and make sure that you answer all of them.

Please rate your perception of the extent of your contribution with regard to the activity mentioned in the statement, on a scale of 1 to 7. For instance, if your perception of the extent of your contribution with regard to a particular activity is **HIGH,** circle number 7. If your perception of the extent of your contribution with regard to the activity is **LOW,** circle number 1. Or circle any of the numbers in between, depending on the extent to which you perceive yourself to be contributing to the specific activity. If you don't know or are not sure whether you do in fact contribute to a particular activity, mark the last column **DON'T KNOW (DK),** indicated with a question mark **(?)**. Please note that when there is a reference to 'Life Healthcare hospitals' it refers to the hospital you are employed at.

EXAMPLE

ACTIVITIES TO BE RATED	MY PERCEPTION OF THE EXTENT OF MY CONTRIBUTION TO THE ACTIVITY							
	Mark a number from 1 to 7. If you don't know or are not sure that you contribute, mark *Don't Know* (DK) in the last column							
	LOW<——————>HIGH							DK
I contribute to setting the tone for how Life Healthcare hospitals deals with stakeholders who have political power	1	2 X	3	4	5	6	7	?

Thank you for your willingness to participate in this study.

Please contact me should you have any questions:
Liesel van Oudenhove, Public Relations Officer

Email: **liesel.vanoudenhove@lifehealthcare**.co.za Tel: (051) 505 5424/083 400 900 2

Section A: Background information

Please provide your job title (in full):

Please mark with an 'X' below, the box indicating the field of specialisation in which you consider yourself to be operating within Life Healthcare hospitals at present.

Marketing	
Public Relations	
Other (please specify)	

Please mark with an 'X' below, the box indicating your gender.

Male	
Female	

Please mark with an 'X' below, the box indicating your highest educational level and next to it, write in the specific qualification obtained as from nr 2-8.

Educational Level		SPECIFIC QUALIFICATION OBTAINED
1 Matric		
2 Certificate		
3 Diploma		
4 Degree		
5 Honours		
6 Masters		
7 Doctorate		
8 Other (Please specify)		

Please mark with an 'X' below, the box indicating the field of specialisation in which your highest qualification was obtained.

Marketing		
Public Relations		
Other (Please specify)		

Section B: Public Relations/Marketing contribution in Life Healthcare hospitals

The statements below refer to possible activities of a public relations or marketing practitioner/manager within Life Healthcare hospitals. Please use the scale from 1-7 to indicate your perception of the extent of your contribution to the different activities. Please note that where questions use the term "Life Healthcare hospitals" it refers to the hospital you are currently employed at.

ACTIVITIES TO BE RATED	MY PERCEPTION OF THE EXTENT OF MY CONTRIBUTION TO THE ACTIVITY							
	Mark a number from 1 to 7. If you don't know or are not sure that you contribute, mark *Don't Know* (DK) in the last column							
	LOW<——————>HIGH							DK
1. I make an input in decisions that result in improving Life Healthcare hospitals' financial performance.	1	2	3	4	5	6	7	?
2. I do an overall communication channel analysis as a form of stock taking on the communication channels (to be) used to communicate to stakeholders.	1	2	3	4	5	6	7	?
3. I identify issues that pose a risk to Life Healthcare hospitals' reputation.	1	2	3	4	5	6	7	?
4. I identify Life Healthcare hospitals' strategic stakeholders for the purpose of developing marketing communication strategy.	1	2	3	4	5	6	7	?
5. I do research to determine stakeholder attitudes towards Life Healthcare hospitals before conducting corporate communication programmes.	1	2	3	4	5	6	7	?
6. I develop corporate communication strategy in support of Life Healthcare hospitals' top level strategies.	1	2	3	4	5	6	7	?
7. I provide a customer perspective for purposes of strategy formulation within Life Healthcare hospitals.	1	2	3	4	5	6	7	?
8. I establish key short-term objectives to achieve corporate communication goals that were set.	1	2	3	4	5	6	7	?
9. I analyse Life Healthcare hospitals' environment in order to gain insight that is useful to senior management in strategic decision making.	1	2	3	4	5	6	7	?
10. I work together with other functions in support of Life Healthcare hospitals' top level strategies.	1	2	3	4	5	6	7	?
11. I decide on the specific channels to be used to transmit messages to stakeholders such as Life Healthcare hospitals' doctors and referring General Practitioners.	1	2	3	4	5	6	7	?
12. I build relationships with resident doctors/referring General Practitioners.	1	2	3	4	5	6	7	?
13. I assist senior management to formulate Life Healthcare hospitals' social responsibilities.	1	2	3	4	5	6	7	?
14. I assist in the development of strategic perspectives for business unit(s) (i.e. different medical units such as trauma, cardiac etc.) within the hospital environment to direct its future course.	1	2	3	4	5	6	7	?
15. I contribute to decision making to produce a sustainable competitive advantage for Life Healthcare hospitals' divisions.	1	2	3	4	5	6	7	?
16. I facilitate the cross-functional process of reputation risk management.	1	2	3	4	5	6	7	?
17. I contribute to decision making on diversification/strategic alliances/joint ventures for Life Healthcare hospitals.	1	2	3	4	5	6	7	?
18. I develop implementation strategies to achieve corporate communication goals.	1	2	3	4	5	6	7	?
19. I act as an advocate for key stakeholders by explaining their views to management.	1	2	3	4	5	6	7	?

ACTIVITIES TO BE RATED	MY PERCEPTION OF THE EXTENT OF MY CONTRIBUTION TO THE ACTIVITY							
	Mark a number from 1 to 7. If you don't know or are not sure that you contribute, mark *Don't Know* (DK) in the last column							
	LOW<——————>HIGH							DK
20. I provide focus/direction to the group communication function by developing a framework for communication plans.	1	2	3	4	5	6	7	?
21. I make a contribution in formulating the brand essence.	1	2	3	4	5	6	7	?
22. I develop communication policy for Life Healthcare hospitals i.e. decide who is allowed to communicate what to whom.	1	2	3	4	5	6	7	?
23. I do research to determine customer attitudes towards Life Healthcare hospitals before conducting marketing communication programmes.	1	2	3	4	5	6	7	?
24. I develop implementation strategies to achieve marketing goals.	1	2	3	4	5	6	7	?
25. I decide on the marketing communication mix to be used to transmit core product messages to customers.	1	2	3	4	5	6	7	?
26. I provide focus/direction to the group marketing function by developing a framework for marketing plans.	1	2	3	4	5	6	7	?
27. I develop themes to be communicated to Life Healthcare hospitals' stakeholders.	1	2	3	4	5	6	7	?
28. I establish key short-term objectives to achieve marketing goals that were set.	1	2	3	4	5	6	7	?
29. I develop marketing strategy for a specific product/segment.	1	2	3	4	5	6	7	?
30. I am involved in defining the approach of an individual business unit(s) in competing in a chosen market/industry segment.	1	2	3	4	5	6	7	?
31. I act as an 'early warning system' to top management before market trends erode Life Healthcare hospitals' competitive advantage.	1	2	3	4	5	6	7	?
32. I assist in deciding on the proper positioning of certain products (i.e. cardiac, joint replacements, maternity/Little Life offerings etc.)	1	2	3	4	5	6	7	?
33. I build relationships with stakeholders in the value chain such as specialists and referring General Practitioners.	1	2	3	4	5	6	7	?

Section C: Relationship outcomes with stakeholders

Stakeholders are groups and/or individuals whose behaviour has consequences for Life Healthcare hospitals' decisions/strategies, and Life Healthcare hospitals' behaviour/decisions/strategies have consequences for them. Below are a number of objectives that could be achieved within your scope of work/statements describing your organisation – please use the scale from 1 to 5 to indicate whether you agree or disagree with the statement. In the statements 'this organisation' refers to the Life Healthcare hospital you are employed at.

State whether you agree or disagree (on the scales provided) whether the extent of your work includes:

What your work entails	**Do you agree or disagree with the work/statements outlined**				
	Mark a number from 1 to 5				
	Strongly disagree 1	**Disagree 2**	**Don't agree or disagree 3**	**Agree 4**	**Strongly agree 5**
1. To treat stakeholders fairly and justly.	1	2	3	4	5
2. To be concerned about the affect the organisation's decisions has on stakeholders.	1	2	3	4	5
3. To show that this organisation can be relied on to keep its promises.	1	2	3	4	5
4. To show that this organisation takes the opinions of stakeholders into account when making decisions.	1	2	3	4	5
5. To show the organisation's skills.	1	2	3	4	5
6. To show that the organisation has the ability to accomplish what it says it will do.	1	2	3	4	5
7. To ensure that the organisation and stakeholders are attentive to what each other say.	1	2	3	4	5
8. To show that this organisation believes that the opinions of stakeholders are legitimate.	1	2	3	4	5
9. To throw the organisation's weight around in dealing with stakeholders.	1	2	3	4	5
10. To make sure the organisation really listens to what stakeholders have to say.	1	2	3	4	5
11. To convey the feeling that the organisation is trying to maintain a long-term commitment to stakeholders.	1	2	3	4	5
12. To show that the organisation wants to maintain a relationship with stakeholders.	1	2	3	4	5
13. To show that there is a long-lasting bond between the organisation and stakeholders.	1	2	3	4	5
14. To show that the organisation, values their relationship with stakeholders.	1	2	3	4	5
15. To assist in making sure that stakeholders are happy with the organisation.	1	2	3	4	5
16. To assist in making sure that both the organisation and stakeholders benefit from the relationship.	1	2	3	4	5
17. To assist in making sure that most stakeholders are happy in their interactions with the organisation.	1	2	3	4	5
18. To generally make sure that stakeholders are pleased with the relationship the organisation has established with stakeholders.	1	2	3	4	5

State whether you agree or disagree with the following statements about your organisation (on the scales provided):

What your work entails	**Do you agree or disagree with the work/statements outlined**				
	Mark a number from 1 to 5				
	Strongly disagree 1	**Disagree 2**	**Don't agree or disagree 3**	**Agree 4**	**Strongly agree 5**
19. This organisation does not especially enjoy giving others aid.	1	2	3	4	5
20. This organisation is very concerned about the welfare of stakeholders.	1	2	3	4	5
21. This organisation takes advantage of people who are vulnerable.	1	2	3	4	5
22. I think that this organisation succeeds by stepping on other people.	1	2	3	4	5
23. Whenever this organisation gives or offers something to stakeholders, it generally expects something in return.	1	2	3	4	5
24. Even though stakeholders have had a relationship with this organisation for a long time, it still expects something in return whenever it offers them a favour.	1	2	3	4	5
25. This organisation will compromise with stakeholders when it knows that it will gain something.	1	2	3	4	5
26. This organisation takes care of people who are likely to reward the organisation.	1	2	3	4	5

Thank you for your time.